



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 2, 2014  
**Placement:** Administrative  
**Estimated Tme:**  
**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: Kerry Bierman, 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 2014-15.

**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 2014-15.

**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 2014-15 the twelfth 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 is currently collaborating with CDI on 32 open investigations which include major provider fraud. Open cases include 15 employer fraud, 12 applicant fraud, 3 major provider fraud and 2 major premium fraud. Five cases are currently in the court process. During FY 2014-15, the District Attorney anticipates receiving between 30-40 new referrals from CDI.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**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	\$ 272,800.00	\$ 272,800.00	
Federal			
Fees			
Other:			
Total	\$ 272,800.00	\$ 272,800.00	\$ -

Three Deputy District Attorneys (including one Contractor on Payroll) are assigned to this grant with one full-time attorney in both Santa Barbara and Santa Maria and a part-time, lead Deputy District Attorney to oversee this grant countywide. The current fiscal year revenue includes the FY14-15 allocation of \$272,800. This includes \$237,077 in salary and benefit costs, \$12,340 in operating costs, \$5,000 in equipment costs and \$18,383 in overhead associated with the program. The FY 2014-15 allocation is consistent with funding in FY 2013-14.

**Staffing Impacts:**

<b><u>Legal Positions:</u></b>	<b><u>FTEs:</u></b>
Deputy DA	1.00
Deputy DA (Contractor on Payroll)	1.00
Deputy DA	.5

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

**Attachments:** Board Resolution

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