



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

BOARD OF SUPERVISORS AGENDA LETTER

Department Name:

District Attorney

Department Number:

021

Agenda Date:

August 18, 2026

Placement:

Administrative Agenda

Estimated Time:

<Insert Time>

Continued Item:

No

If Yes, date from:

<Insert Date>

Vote Required:

Majority

TO: Board of Supervisors

FROM: Department Director: John T. Savrnock, District Attorney

CONTACT: Michael Soderman, Chief Financial & Administrative Officer

SUBJECT: California Department of Insurance Workers' Compensation Insurance Fraud Grant
Program for Fiscal Year 2026-27

Concurrences:

County Counsel Concurrence:

As to form: Yes

Auditor-Controller Concurrence:

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt and authorize the Chair to execute a Resolution authorizing the District Attorney, or designee, to submit an application and, if awarded, execute a Grant Award Agreement with the California Department of Insurance (DOI) for the Workers' Compensation Insurance Fraud

Program, for the award period of July 1, 2026 through June 30, 2027, with an anticipated award of \$362,000, up to a maximum grant award amount of \$452,600;

- b) Approve and authorize the District Attorney, or designee, to execute any future amendments to extend the term of the Grant Award Agreement through December 31, 2027, or to increase the grant award in an amount not to exceed an additional \$50,000, with the concurrence of Risk Management, County Counsel, and Auditor-Controller; and
- c) Determine that the above recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4) because they consist 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 District Attorney's Office seeks the Board's approval to reapply for the DOI Workers' Compensation Fraud grant award for an amount up to the maximum possible grant award of \$452,600 for Fiscal Year 2026-27. The DOI Workers' Compensation Insurance Fraud Program investigates and prosecutes workers' compensation insurance fraud cases. The District Attorney's Office has been awarded these grant funds for many years and must apply for these grant funds on an annual basis.

Discussion:

This grant will continue to provide partial funds for two existing part-time Deputy District Attorneys (DDAs), one existing part-time District Attorney Investigator, and one existing part-time Legal Office Professional to assist in the identification, investigation, and prosecution of workers' compensation fraud. The attorneys also act as liaisons to local law enforcement and the DOI when cases of potential fraud are discovered.

At this time, the actual grant award amount is unknown as the grant funds have not yet been awarded. Historically, the amount awarded to the District Attorney's Office has been less than what was requested in the grant application. Based on prior awards, the department estimates that the DOI Workers' Compensation Fraud grant award will be approximately \$362,000 for Fiscal Year 2026-27; as a result, this is the amount that was included in the FY 2026-27 Adopted Budget. However, in keeping with prior practice, the department is requesting Board approval to apply for the maximum possible grant award amount of \$452,600.

Background:

The 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 23rd 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 37 outreach sessions throughout Southern California, targeting insurance professionals and employer groups looking for more information on workers' compensation fraud.

Past grant funds have enabled the District Attorney to investigate and prosecute worker's compensation fraud. The Fiscal Year 2026-27 grant would allow the Unit to continue at current staffing levels.

Performance Measure:

Each District Attorney receiving annual funds pursuant to Section 1872.83 of the California Insurance Code must submit an annual report to the Insurance Commissioner on the local program and its accomplishments.

In Fiscal Year 2025-26, the District Attorney's Insurance Fraud Unit reported that it has utilized grant funds primarily to target larger workers' compensation cases. In particular, the Unit has focused on pursuing businesses that deny their employees legal benefits in order to defraud the insurance system. In addition, the Unit continues to receive and investigate reports involving smaller-scale workers' compensation fraud.

During Fiscal Year 2025-26, the District Attorney's Office worked closely with the DOI on a large medical provider fraud case and anticipates that charges will be filed in Fiscal Year 2026-27. This case has required significant resources and is expected to involve multi-millions of dollars in fraud premiums, as well as prevailing wage fraud. This has been a multi-agency effort and has taken longer to investigate and file, but the Office feels strongly that it will serve as a deterrent to other companies in Santa Barbara County.

Fiscal Analysis:

The anticipated funding from this grant reflects one year of program expenses for the period of July 1, 2026 through June 30, 2027. The total anticipated project cost is \$452,600 and does not require any local cash match. Based on the prior awards, the next award is estimated at \$362,000. Accordingly, revenues and expenditures of \$362,000 are included in the Fiscal Year 2026-27 Adopted Budget. If additional grant funds are awarded, the District Attorney's Office will return to your Board with a budget revision to appropriate the additional funds.

If the District Attorney's application is approved and the full grant amount of \$452,600 is awarded, then the grant funds will support \$427,400 in Salaries and Employee Benefits based as listed in the *Staffing Impacts* chart below, as well as \$25,200 in operating costs which include training, IT costs, single audit fees, and indirect costs.

Funding Source	FY 2026-27	Total
General Fund		
State	\$452,600	\$452,600
Federal		
Fees		
Total	\$452,600	\$452,600

Staffing Impacts:

There are no staffing impacts of receiving this grant, as budgeted grant funds will continue to fund existing staff. If additional grant funds are awarded, the District Attorneys' Office will dedicate more staff time to Workers' Compensation Insurance Fraud related activities as listed below.

Legal Position Title	Number of FTE	Estimated Cost
Deputy District Attorney Sr.	0.25	\$49,800
Deputy District Attorney	0.35	\$53,600
District Attorney Investigator	0.80	\$83,600
Legal Office Professional	0.15	\$12,500
Benefits		\$227,900
Total	1.55	\$427,400

Special Instructions:

Please return the following items to John DeAlba, DA Department Business Specialist:

- a) One (1) Minute Order
- b) One (1) copy of a fully-executed Grant Delegation Resolution

Attachments:

Attachment A – FY 26-27 DOI WC Resolution (Signature Required)

Attachment B – FY 26-27 WC Application Report

Contact Information:

John DeAlba

Department Business Specialist

jodealba@countyofsb.org