



## Legislation Text

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**File #:** 2019-1488, **Version:** 1

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** District Attorney

**Staff Name and Phone Number:** Renate Amantite, ASO II 565-3150

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

District Attorney 2019-20 Workers' Compensation Insurance Fraud Investigation Program

**Recommended Action:**

Adopt a resolution authorizing the District Attorney to execute a grant agreement with the California Department of Insurance to participate in the Workers' Compensation Insurance Fraud Investigation Program and accept \$110,826 in grant funding for the term July 1, 2019 through June 30, 2020. The objective of this grant is to uncover fraud within the community that harms workers and businesses, and prosecute those who perpetrate such crimes.

**Executive Summary:**

[Click or tap here to enter text.](#) Board approval and authorization is requested to allow the District Attorney to sign a contract to continue participation in the Workers' Compensation Insurance Fraud Program funded by the California Department of Insurance in the amount of \$110,826 for the 2019-20 Fiscal Year. The District Attorney has participated in the Workers' Compensation Insurance Fraud Program since 1996. This prosecution work is handled with the District Attorney Consumer Fraud division. General funding is not required to supplement this work. The staff assigned to this grant consists of two existing Deputy District Attorneys: one Deputy District Attorney IV with an estimated annual cost of \$275,940 and grant funding of \$22,075 (8%), and one District Attorney II - Extra Help with an estimated annual cost of \$24,755 and grant funding of \$12,624 (51%); an existing District Attorney Investigator, with an estimated annual cost of \$222,248 and grant funding of \$44,450 (20%); an existing Legal Secretary, with an estimated annual cost of \$117,818 and grant funding of \$11,782 (10%); an existing Department Analyst with an estimated annual cost of \$149,771 and grant funding of \$2,995 (2%); and an existing Legal Processor with an estimated annual cost to the department of \$98,230 and grant funding of \$1,572(1.6%) . The salaries and benefits of the remaining staff time and costs paid with Consumer Fraud special revenue funds and an Automobile Insurance Fraud grant through the California Department of Insurance.

**Discussion:**

**State of California Department of Insurance Workers' Compensation Insurance Fraud Investigation Grant Award: \$110,826**

The California Department of Insurance Workers' Compensation Fraud Program was established in 1991 through the passage of Senate Bill 1218 (Chapter 116), and the District Attorney has participated in this program since 1996. The law, which makes Workers' Compensation fraud a felony, requires insurers to report suspected fraud, and establishes a mechanism for funding enforcement and prosecution activities. The funding comes from California employers as a portion of the premium paid to the state. Senate Bill 1218 also established the Fraud Assessment Commission, which determines the level of assessments to fund investigation and prosecution of workers' compensation insurance fraud in consideration of premiums collected.

Historically, Workers' Compensation fraud cases referred to the District Attorney's Office have typically been claimant fraud. These cases include claiming a non-work injury, filing multiple claims for the same injury, working at another job while collecting disability benefits, and related schemes to cheat the Workers' Compensation system. While the District Attorney's Office will continue to use these Workers' Compensation Insurance Fraud grant funds to prosecute these more established types of claimant fraud cases, additional funding was requested and received to enhance the Fiscal year 2019-20 program. The District Attorney's Office reviewed 35 cases of suspected Workers' Compensation Insurance fraud during the 2018-19 fiscal year, resulting in 14 cases filed and three that are still pending. Final outcomes include achieving compliance, educating offending employers, and having offenders participate in diversion programs resulting in providing community service work. Other penalties imposed include fines and orders for payment of restitution.

During Fiscal Year 2019-20, the District Attorney's Office will continue to participate in the Golden Gate High Impact Workers' Compensation Fraud Consortium and the Tri-county Task Force to increase all types of workers' compensation fraud referrals and partner in outreach to educate the community about workers' compensation fraud. Developing a long-lasting consistent method of outreach that will increase all types of workers' compensation fraud referrals and educate the community about workers' compensation fraud is a long-term goal that will take two to three years to implement. The office will continue outreach and training through community organizations such as the Graton Day Labor Center; Redwood Empire Association of Code Officials; the Sonoma County Winegrowers and Winegrape Commission; and the Oakmont Homeowners Association where outreach efforts have ranged from meetings with Association Board members to presenting to Association members and the public. Meeting this goal will also involve creating educational and informational pamphlets to be distributed to various organizations and employers within the county including union halls, day labor centers, and wineries.

The District Attorney's Office intends to continue to work with the Department of Insurance investigators and Contractors State Licensing Board to conduct sweeps and stings in Sonoma County with the goal of identifying and prosecuting employers operating businesses without Workers' Compensation insurance.

The 2019-20 grant award of \$110,826 is a 12.5% increase over the award from the previous fiscal year. This increase was requested, in part, as a reflection of the increased workload year-over-year, the increase in cases filed in the 2018-19 fiscal year, and for the inclusion of a Legal Processor to assist in entering new cases into the District Attorney case management system, processing paperwork for court appearances, filing documents at the court clerk's office, and maintaining paper files, allowing for other staff to handle more specialized work.

#### Prior Board Actions:

The Board has approved Resolutions authorizing the Workers' Compensation Insurance Fraud grant each year since Fiscal Year 2004-05; most recently in Fiscal Year 2018-19.

#### FISCAL SUMMARY

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	\$110,826	\$121,908	\$134,099
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$110,826</b>	<b>\$121,908</b>	<b>\$134,099</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$110,826	\$121,908	\$134,099
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$110,826</b>	<b>\$121,908</b>	<b>\$134,099</b>

#### Narrative Explanation of Fiscal Impacts:

This grant increased by \$12,369 from FY 2018-19 to FY 2019-20 due to improved outcomes of the Deputy District Attorney and Investigator, as well as additional staff joining the program. When performing workers compensation work, the staff cost-code their time for grant invoicing and ensuring this work is paid for with these grant funds. No general fund is required or requested to support this work.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

There is no additional staffing impact. This has been a long standing program with the District Attorney's Office.

**Attachments:**

Resolution Authorizing Execution of Grant Agreement

Grant Award Agreement

**Related Items "On File" with the Clerk of the Board:**

N/A