



Board Agenda Item 23

DATE: November 3, 2020

TO: Board of Supervisors

SUBMITTED BY: Lisa A. Smittcamp, District Attorney

SUBJECT: Retroactive Workers' Compensation Insurance Fraud Program Grant Application and Agreement

RECOMMENDED ACTION(S):

1. **Retroactively authorize the District Attorney's previous submittal of a grant application to the State of California, Department of Insurance (CDI) for continuation of the Workers' Compensation Insurance Fraud program, for the period July 1, 2020 through June 30, 2021 (\$1,394,929); and**
2. **Adopt a Resolution authorizing the District Attorney to execute retroactive Grant Award Agreement, including any extensions or amendments, for continued funding of the Workers' Compensation Insurance Fraud program with the CDI, for the period July 1, 2020 through June 30, 2021 (\$1,372,547); and**
3. **Adopt Budget Resolution increasing FY 2020-21 appropriations and estimated revenues in the amount of \$35,999 in the District Attorney's Special Revenue Fund 0060, CDI Worker's Compensation Insurance Fraud Program, Org 1107 (4/5 vote); and**
4. **Adopt Budget Resolution increasing FY 2020-21 appropriations and estimated revenues in the amount of \$35,999 in the District Attorney-Grants Org 2862 (4/5 vote).**

There is no increase in Net County Cost associated with these actions, which will allow for the continuation of this program through June 30, 2021. To meet the grant filing deadline, the application was submitted to CDI contingent on your Board's approval. The CDI requires the District Attorney (DA) to be the designated official authorized to sign the recommended grant award agreement, including any extensions or amendments, so Recommended Action 2 would adopt a resolution authorizing the District Attorney to execute the recommended grant agreement. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, this program will not be funded for FY 2020-21. The loss of this grant will result in the elimination of the current positions as follows: two Deputy District Attorneys, three Senior District Attorney Investigators, and one Legal Assistant.

RETROACTIVE AGREEMENT:

The request to approve and accept the CDI grant award is retroactive, because the DA did not receive the grant award agreement until September 22, 2020, after the effective date of the grant program, which precluded placement of this item on an earlier Board date.

FISCAL IMPACT:

There is no Net County Cost associated with these actions. There is no match requirement for the receipt of funds. The Department submitted a proposed budget in the amount of \$1,394,929 to the CDI and was awarded \$1,372,547 for the Worker's Compensation Insurance Fraud program, which is \$35,999 more than the \$1,336,548 included in the FY 2020-21 Adopted Budget for the District Attorney - Grants Org 2862. The third and fourth recommended actions are required to increase the FY 2020-21 appropriations and estimated revenues in the amount of \$35,999 in the District Attorney's Special Revenue Fund 0060, CDI Worker's Compensation Insurance Fraud Program, Org 1107, and the District Attorney-Grants Org 28627000. Increases to both Orgs are necessary to facilitate the transfer of funds from the Special Revenue Fund to the General Fund. Approval of the recommended actions will align appropriations and revenues with the funding amount received from the CDI this fiscal year.

DISCUSSION:

Senate Bill 1218 and Assembly Bill 1673, enacted in January of 1992, provided for a program to fund investigation and prosecution of Workers' Compensation Insurance Fraud. This legislation provided assessments in Workers' Compensation insurance premiums to fund enhanced prosecution and incarceration of individuals involved in Workers' Compensation insurance fraud, as defined in Insurance Code § 1877 et seq, by District Attorneys in California. The CDI has approved Fresno County to receive funds pursuant to the program implemented by that legislation, and Fresno County's Workers' Compensation Insurance Fraud program has been in place since 1992.

This program is currently staffed with two Deputy District Attorneys, three Senior District Attorney Investigators, and one Legal Assistant to investigate and prosecute Workers' Compensation fraud in Fresno County.

If grant funding for this program is discontinued, all associated positions will be deleted.

REFERENCE MATERIAL:

BAI #26, October 22, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Grant Application / Agreement with CDI
On file with Clerk - Resolution
On file with Clerk - Budget Resolutions (Orgs 1107 and 2862)

CAO ANALYST:

Samantha Buck