

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 23, 2025

FROM

JASON ANDERSON, District Attorney

SUBJECT

Grant Award Agreement with the California Insurance Commissioner for the Workers' Compensation Insurance Fraud Program

RECOMMENDATION(S)

1. Approve Grant Award **Agreement No. 25-717** with the Insurance Commissioner of the State of California, to accept \$3,286,077, to fund the investigation and prosecution of workers' compensation insurance fraud cases in San Bernardino County, for the period of July 1, 2025 through June 30, 2026.
2. Authorize the Chief Deputy District Attorney to electronically sign and submit the Grant Award Agreement and any subsequent non-substantive amendments to the Grant Award Agreement, subject to review by County Counsel.
3. Adopt **Resolution No. 2025-199**, as required by the California Department of Insurance, approving the Grant Award Agreement and authorizing the Chief Deputy District Attorney to electronically sign and submit all documents and any subsequent non-substantive amendments to the Grant Award Agreement, subject to review by County Counsel.
4. Authorize the addition of one new position classified as a Paralegal, Technical and Inspection Unit, Range 49, for an estimated annual cost of \$110,270 (Salary - \$70,686, Benefits - \$39,584), to assist the Deputy District Attorneys with the prosecution of workers' compensation insurance fraud.
5. Approve appropriation and revenue adjustments of \$206,814 for funds awarded in excess of the funds included in the District Attorney's 2025-26 budget and authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section (Four votes required).
6. Direct the Chief Deputy District Attorney to transmit the Grant Award Agreement and any subsequent non-substantive amendments to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Michael Fermin, Chief Assistant District Attorney, 382-3662)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use for additional Discretionary General Funding (Net County Cost). The Insurance Commissioner of the State of California awards grant funding that is composed of fees assessed annually to insurers for the purpose of fighting workers'

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compensation insurance fraud. The award amounts are determined by the State's Fraud Assessment Commission. No matching funds are required.

The State Insurance Commissioner has awarded San Bernardino County District Attorney (Department) \$3,286,077 to fully fund salary and benefit costs for the following existing positions assigned to the county's Workers' Compensation Insurance Fraud Program (Program): three Deputy District Attorney IV, six District Attorney Senior Investigators, one Administrative Assistant, and 85% of one District Attorney Supervising Investigator.

In addition, the Department obtained \$70,686 in funding for 75% of salary and benefit costs of a new paralegal position. The other 25% of the paralegal position cost will be covered using salary savings from the Department's 2025-26 Budget. The Department will include this cost in future recommended budgets.

The grant also provides \$263,898 for operating expenses that include public outreach, staff training, and indirect costs.

A budget adjustment is needed due to an increase between the 2025-26 Budget and amount of the grant award. During development of the 2025-26 Recommended Budget, the Department estimated receiving the same award amount as in the grant cycle 2024-25 of \$3,079,263. However, the award amount included an additional \$206,814 for a total award of \$3,286,077.

Fund Center	Commitment Item	Description	Action	Amount
4500002672	40408955	State - Grants	Increase	\$206,814
4500002672	55405012	Services & Supply Transfers Out	Increase	\$206,814
4500001000	55415013	Services & Supply Transfers In	Increase	\$206,814
4500001000	52002445	Other Professional & Specialized Services	Increase	\$206,814

BACKGROUND INFORMATION

The California Insurance Code Section 1872.83 authorizes the Insurance Commissioner of the State of California to annually distribute grant funds to agencies statewide for assistance with investigating and prosecuting workers' compensation insurance fraud cases. Fraudulent workers' compensation claims are crimes that can inflate premiums for all consumers. Workers' compensation insurance fraud occurs in simple to complex schemes that often require difficult and lengthy investigations. Since the Board of Supervisors' (Board) approval on June 14, 1994 (Item No. 25), the Department has received annual grant funds for this purpose.

The Department of Insurance (DOI) relies heavily on local law enforcement agencies to investigate and prosecute insurance fraud. Because DOI has a high-level overview and responsibility of setting the rates paid by those insured, it is vested in investigating and prosecuting fraud to prevent costs from unfairly increasing. DOI refers cases directly to the Department for investigation and prosecution, in addition to cases that are received directly from local police departments.

The Department strives to reduce fraudulent schemes throughout the Southern California Region by coordinating efforts with District Attorneys' Offices in Riverside, Orange, Los Angeles, San Diego, and Ventura Counties as part of the "Southern California Workers' Compensation Consortium". The consortium creates a strong regional network of prosecuting agencies to

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review local fraud trends and other criminal activities, assist each other when needed, and train other law enforcement agencies and the insurance industry.

On April 29, 2025 (Item No. 34), the Board approved the Department's grant application to the California Insurance Commissioner requesting funding for the period of July 1, 2025, through June 30 2026. The Department has the same staffing level for the last 10 years. However, the complexity of the cases has increased with an increase in the number of cases to be prosecuted. This year, the Department obtained funding for a new paralegal position to assist the attorneys with prosecuting these cases. The paralegal will also provide a minimal amount of assistance with cases for the two other grants that the Department receives from the CA Department of Insurance.

On July 16, 2025, the Department received notification from the California Insurance Commissioner of the County's grant award in the amount of \$3,286,077 for the period of July 1, 2025 through June 30, 2026. However, the Department did not receive the Grant Award Agreement until August 20, 2025. The Department is presenting the item on the first available Board date after required legal, fiscal, and operational reviews.

The Grant Award Agreement was issued from DOI's online Grant Management System. It requires an electronic signature via DocuSign and is due on September 19, 2025. DOI extended the date to October 10, 2025 to ensure adequate time to obtain Board approval. Retroactive approval of the grant award by the Board will have no negative impact on the Department's grant-related services and activities.

The DOI requires the Resolution from the Board approving the Grant Award Agreement and authorizing the Chief Deputy District Attorney to electronically sign the agreement.

PROCUREMENT

N/A.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Daniella Hernandez, Deputy County Counsel, 387-3121) on August 28, 2025; Human Resources (Gina King, Assistant Director of HR, 387-5570) on September 8, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on August 29, 2025; and County Finance and Administration (Kathleen Gonzalez, Administrative Analyst, 387-5412) on September 10, 2025.

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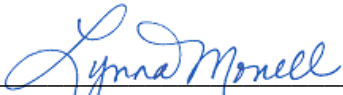
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 23, 2025



cc: DA - Walker w/agree for sign
Contractor - c/o DA w/agree
File - w/agree

CCM 09/23/2025