

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

October 27, 2020

**FROM**

**JASON ANDERSON, District Attorney**

**SUBJECT**

Grant Award Agreement for the San Bernardino County Workers' Compensation Insurance Fraud Prosecution Program

**RECOMMENDATION(S)**

1. Approve Grant Award **Agreement No. 20-995** with the California Insurance Commissioner to accept \$2,454,241 to fund the investigation and prosecution of workers' compensation insurance fraud cases for San Bernardino County for the period of July 1, 2020 through June 30, 2021.
2. Adopt **Resolution No. 2020-187**, as required by the California Department of Insurance, authorizing the District Attorney to execute all documents and non-substantive amendments in relation to the acceptance of this Grant Award Agreement, subject to review by County Counsel.
3. Approve appropriation and revenue adjustments of \$219,245 for the funds awarded in excess of the funds included in the District Attorney's 2020-21 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)
4. Direct the District Attorney to transmit all Grant Award Agreement documents, including any non-substantive amendments, to the Clerk of the Board of Supervisors within 30 days of execution.

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

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

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

**FINANCIAL IMPACT**

Approval of this item will not result in the need for additional Discretionary General Funding (Net County Cost). This grant will provide \$2,454,241 in funding for (3) Deputy District Attorneys, (6) District Attorney Senior Investigators, (1) Secretary I, as well as funding for 85% of (1) Supervising District Attorney Investigator assigned to the County's Workers' Compensation Insurance Fraud Prosecution Program (Program). Grant funding will also be used for the operating expenses of the Program. Funds assessed annually against insurers (the actual amount is determined annually by the State's Fraud Assessment Commission) provide the funding source for this grant and no matching funds are required. Revenue and appropriation in the amount of \$2,234,996 was included in the District Attorney's 2020-21 budget. A budget adjustment for the additional \$219,245 is requested as listed below:

Fund Center	Commitment Item	Description	Action	Amount
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**Grant Award Agreement for the San Bernardino County Workers' Compensation Insurance Fraud Prosecution Program  
October 27, 2020**

Fund Center	Commitment Item	Description	Action	Amount
4500002672	40408955	State-Grants	Increase	\$219,245
4500002672	55405010	Salaries & Bene Transfers Out	Increase	\$105,806
4500002672	55405012	Servs & Supply Transfers Out	Increase	\$113,439
4500001000	55415011	Salaries & Bene Transfers In	Increase	\$105,806
4500001000	55415013	Servs & Supplies Transfers In	Increase	\$113,439
4500001000	51001010	Salaries	Increase	\$105,806
4500001000	52002355	Advertising	Increase	\$75,168
4500001000	52002925	Motor Pool	Increase	\$38,271

**BACKGROUND INFORMATION**

Workers' compensation insurance fraud occurs in simple to complex schemes that often require difficult and lengthy investigations. Consequently, California Insurance Code Section 1872.83 authorizes the California Insurance Commissioner to annually distribute grant funds to agencies statewide for assistance with investigating and prosecuting workers' compensation insurance fraud cases. Since 1994, the San Bernardino County District Attorney's Office (Department) has been receiving grant funds for this purpose on an annual basis. In addition to keeping the public safe, the Department vigorously investigates and prosecutes these cases because fraudulent workers' compensation claims are crimes that can inflate premiums for all consumers.

On April 7, 2020 (Item No. 26) the Board of Supervisors (Board) approved the Department's grant application to the California Insurance Commissioner requesting funding for the period of July 1, 2020 through June 30, 2021. On September 22, 2020, the Department received notification from the California Insurance Commissioner of the Country's grant award in the amount of \$2,454,241 for the period of July 1, 2020 through June 30, 2021. This item is being presented at this time, as this is the first available date following the required operational, fiscal, and legal reviews. Approval of the grant award by the Board at this time has not impacted the Department's provision of grant related services and activities.

The State of California, Department of Insurance requires a resolution from the Board approving the Grant Award Agreement and authorizing the District Attorney to sign the agreement. The Department of Insurance has requested that the signed Grant Award Agreement be submitted by Friday, October 30, 2020.

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5437) on October 6, 2020; Auditor-Controller/Treasurer/Tax Collector (Erika Gomez, General Accounting Manager) on October 6, 2020; Finance (Monique Amis, Administrative Analyst, 387-4883) on October 7, 2020; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-5423) on October 7, 2020.

**Grant Award Agreement for the San Bernardino County Workers'  
Compensation Insurance Fraud Prosecution Program  
October 27, 2020**

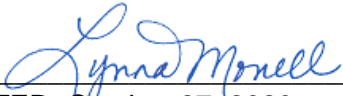
Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: October 27, 2020



cc: W/RESOLUTION  
DA - Walker w/agree  
Contractor - C/O DA w/agree  
File - w/agree  
CCM 10/28/2020