

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number
23-1194 A1

SAP Number

District Attorney

Department Contract Representative	<u>Claudia Walker</u>
Telephone Number	<u>(909) 382-7689</u>
Contractor	<u>California Department of Insurance</u>
Contractor Representative	<u>Jennifer Tran, Program Analyst</u>
Telephone Number	<u>(916) 854-5708</u>
Contract Term	<u>July 1, 2023 – June 30, 2024</u>
Original Contract Amount	<u>\$2,894,426</u>
Amendment Amount	<u>\$110,026</u>
Total Contract Amount	<u>\$3,004,452</u>
Cost Center	<u>4500002672</u>

Briefly describe the general nature of the contract:

California Insurance Code section 1872.83 authorizes the Insurance Commissioner of the State of California to distribute funds, assessed against insurers, for investigation and prosecution of Workers' Compensation Insurance Fraud cases.

The Grant Award Amendment increases the award by an additional \$110,026 for a total award of \$3,004,452, which will support the Workers' Compensation Fraud Prosecution Program for 2023-24.

FOR COUNTY USE ONLY

<p>Approved as to Legal Form</p> <p><u></u></p> <p>Richard Luczak, Deputy County Counsel</p> <p>Date <u>4/10/2024</u></p>	<p>Reviewed for Contract Compliance</p> <p>_____</p> <p>Date _____</p>	<p>Reviewed/Approved by Department</p> <p><u></u></p> <p>Jason Anderson, District Attorney</p> <p>Date <u>4/11/24</u></p>
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RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

March 4, 2024

The Honorable Jason Anderson
District Attorney
San Bernardino County District Attorney's Office
303 West Third St., Sixth Floor
San Bernardino, CA 92415

**RE: Grant Award for Workers' Compensation Insurance Fraud Program
Fiscal Year 2023-24 Additional Funding**

Dear District Attorney Anderson:

I am pleased to report there is a Fiscal Year (FY) 2022-23 Year-End Balance in the Workers' Compensation Insurance Fraud Program (Program) grant funds available to distribute to participating District Attorney Offices. We are proceeding with a disbursement of an additional **\$1,737,000**, of which an additional **\$110,026** will be awarded to **San Bernardino County** for this important Program. This additional grant award is to be used in FY 2023-24 for the investigation and prosecution of workers' compensation insurance fraud.

It is Commissioner Lara's continuing intent that these funds be used effectively to pursue and investigate fraud across California. It is also important to focus these finite resources on combating fraud that continues to increase costs on the workers' compensation system, including medical provider insurance fraud, employer premium fraud, insider fraud, and claimant fraud, among others. Additionally, a coordinated and aggressive outreach program to all communities by your Office, including to diverse and underserved communities, with measurable outcomes remains a priority. Should you anticipate not being able to spend these funds in FY 2023-24, please email LAU@insurance.ca.gov to decline your additional award. Declined funds will become part of the FY 2024-25 available funds.

Please feel free to contact Deputy Chief Felicia Lieb at (916) 854-5766 should you have any questions regarding your amended award. I look forward to working together with you in our continuing pursuit against workers' compensation insurance fraud.

Sincerely,

George Mueller
Deputy Commissioner, Enforcement Branch

cc: William Lee, Chief Deputy District Attorney
Claudia Walker, Administration Chief

CALIFORNIA DEPARTMENT OF INSURANCE
PROTECT • PREVENT • PRESERVE
Enforcement Branch Headquarters
2400 Del Paso Road, Suite 250
Sacramento, California 95834
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INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA

GRANT AWARD AGREEMENT

of Additional Funds for Fiscal Year 2023-24
Workers' Compensation Insurance Fraud Program

The Insurance Commissioner of the State of California hereby makes an amendment to the award of funds to **San Bernardino County**, Office of the District Attorney, in the amount and for the purpose and duration set forth in this grant award.

This grant award consists of this agreement and the application for the grant and made a part hereof. By acceptance of the grant award, the grant award recipient agrees to administer the grant project in accordance with all applicable statutes, regulations and the grant application.

Duration of Amended Grant: The grant award is for the program period **July 1, 2023** through **June 30, 2024**.

Purpose of Amended Grant: This grant award is made pursuant to the provisions of California Insurance Code Section 1872.83 and shall be used solely for the purposes of enhanced investigation and prosecution of workers' compensation insurance fraud cases.

Amount of Amended Grant: The grant award agreed to herein is in the amount of **\$3,004,452** which is an increase of **\$110,026** above the initial funding amount. This amount has been determined by the Insurance Commissioner with the advice and consent of the Fraud Assessment Commission based on the estimated funds collected pursuant to Section 62.6 of the Labor Code. However, the actual total award amount for the county is contingent on the collection of assessments and the authorization for expenditure pursuant to Government Code Section 13000 et seq. The grant award shall be distributed pursuant to Section 1872.83 of the Insurance Code and the California Code of Regulations Subchapter 9, Article 3, Sections 2698.53, 2698.54, and 2698.57.

<p>Jason Anderson District Attorney</p> <p>DocuSigned by: <i>William Lee</i> <small>2328719AFF9B4AA...</small></p> <p>Authorized Official</p> <p>Name: William Lee Title: Chief Deputy District Attorney</p> <p>Date: <u>4/23/2024</u></p>	<p>RICARDO LARA Insurance Commissioner</p> <p>DocuSigned by: <i>George Mueller</i> <small>64CCDC759E104D8...</small></p> <p>Authorized Official</p> <p>Name: George Mueller Title: Deputy Commissioner</p> <p>Date: <u>5/9/2024</u></p>
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I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.

<p>DocuSigned by: <i>Crista Hill</i> <small>1DE71801B1ED4D7...</small></p> <p>Crista Hill, Division Chief/Budget Officer, Financial and Business Management Division, CDI</p>	<p><u>5/10/2024</u></p> <p>Date</p>
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**DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM**

3/21/2024

BUDGET CATEGORY AND LINE ITEM DETAIL	2023-24 AMENDED BUDGET
A. Personnel Services - Salaries/Employee Benefits	
All program salary and benefit rates are per the Attorney, Peace Officer and General employees current Memorandum of Understanding with the County of San Bernardino.	
3.0 FTE DEPUTY DISTRICT ATTORNEY IV	602,575
6.0 FTE SENIOR INVESTIGATOR	897,343
.85 FTE SUPERVISING INVESTIGATOR	158,241
1.0 FTE SECRETARY I	50,766
TOTAL SALARIES	1,708,925
BENEFITS FOR 10.85 FTE EMPLOYEES FOR ONE YEAR:	
3.0 FTE DEPUTY DISTRICT ATTORNEY IV Retirement Survivor's Benefits Indemnification Vision Care Short-term Disability Social Security Medicare Workers' Compensation Life Insurance Indemnification Allowance/Cafeteria Plan	251,006
6.0 FTE SENIOR INVESTIGATOR Uniform Retirement Indemnification Long-Term Disability Vision Care Social Security Medicare Workers' Compensation Life Insurance Indemnification Allowance/Cafeteria Plan	695,411
TOTAL	CONT'D

**DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM**

3/21/2024

BUDGET CATEGORY AND LINE ITEM DETAIL	2023-24 AMENDED BUDGET
A. Personnel Services - Salaries/Employee Benefits	
All program salary and benefit rates are per the general employees current Memorandum of Understanding with the County of San Bernardino.	
.85 FTE SUPERVISING INVESTIGATOR	129,758
Uniform	
Retirement	
Indemnification	
Long-Term Disability	
Vision Care	
Social Security Medicare	
Workers' Compensation	
Life Insurance	
Indemnification Allowance/Cafeteria Plan	
1.0 FTE SECRETARY	23,860
Retirement	
Survivor's Benefits	
Indemnification	
Vision Care	
Short-Term Disability	
Social Security Medicare	
Workers' Compensation	
Life Insurance	
Indemnification Allowance/Cafeteria Plan	
TOTAL BENEFITS	1,100,035
TOTAL SALARIES AND BENEFITS	2,808,960

**DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM**

3/21/2024

BUDGET CATEGORY AND LINE ITEM DETAIL	2023-24 AMENDED BUDGET
B. Operating Expenses	
OFFICE EXPENSE Consumable office supplies necessary to administer and run program. Includes postage stamps, software and meeting supplies.	4,000
AUDIT ALLOWANCE Financial and compliance audit per guidelines.	3,575
MOTOR POOL 5 full-size sedans \$78/mo x 12 mo. x 5 vehicles 1,000 mi x .65/mi x 12 mo. x 5 vehicles 2 mid-size SUV's \$78/mo x 12 mo x 2 vehicles 1,000 mi x .65/mi x 12 mo. x 2 vehicles Does not include future replacement charges. All vehicle mileage charges are established by San Bernardino County Fleet Services and approved by the Board of Supervisors for fiscal year 2023-24 during the budget cycle. The department has no control over the per mile charge for vehicles.	62,832
PUBLIC OUTREACH Costs for public transit advertisements, billboard, posters, flyers, etc.	75,000
COMMUNICATIONS Communication services and long distance expenses necessary to administer and run program.	-
MEMBERSHIP Allowance for memberships in organizations that provide a network for obtaining new cases.	5,000
TRAINING Registration for training personnel on the Workers' Comp. Fraud system and the investigation and prosecution of Fraud.	7,500
TOTAL	CONT'D

**DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM**

3/21/2024

BUDGET CATEGORY AND LINE ITEM DETAIL	2023-24 AMENDED BUDGET
B. Operating Expenses cont'd	
SUBSCRIPTIONS AND PUBLICATIONS Legal updates and publications pertaining to Workers' Compensation Insurance Fraud.	3,000
OTHER TRAVEL Hotels, meals & travel for training, seminars and meetings for investigative and prosecution staff. All travel is within California.	8,969
PROFESSIONAL SERVICES Expert Forensic Accounting Services and witnesses to conduct evaluations and provide expert testimony in the courtroom.	10,466
NON-INVENTORIABLE EQUIPMENT To replace office equipment necessary to administer and run the Workers' Compensation program efficiently.	15,000
PRINTING SERVICES Request based on program needs including quick copy costs, printed envelopes and forms. Publication of outreach materials.	-
PRIVATE MILEAGE Reimburse for use of private vehicle for Workers' Compensation program meetings, court proceedings and training. 2,500 miles x 0.67 per mile	-
POSTAGE	150
DATA PROCESSING County mandated charges for ISD services.	-
TOTAL OPERATING EXPENSES	195,492

**DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM**

3/21/2024

BUDGET CATEGORY AND LINE ITEM DETAIL	2023-24 AMENDED BUDGET
C. Equipment	
CATEGORY TOTAL	-
PROGRAM BUDGET	3,004,452
CARRYOVER TOTAL	-
INTEREST TOTAL	-