



San Bernardino County

Legislation Text

File #: 7420, Agenda Item #: 28

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

January 24, 2023

FROM

JASON ANDERSON, District Attorney

SUBJECT

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

RECOMMENDATION(S)

1. Approve Grant Award Agreement with the California Insurance Commissioner to accept \$2,753,967 to fund the investigation and prosecution of workers' compensation insurance fraud cases in San Bernardino County for the period of July 1, 2022 through June 30, 2023.
2. Adopt Resolution, 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 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 \$285,162 for the funds awarded in excess of the funds included in the District Attorney's 2022-23 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 Chief Deputy District Attorney to transmit all documents in relation to the acceptance of this Grant Award Agreement, including any 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

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 \$2,753,967 from the California Insurance Commissioner to fund the following existing positions assigned to the County's Workers' Compensation Insurance Fraud Prosecution Program (Program): three Deputy District Attorneys, six District Attorney Senior Investigators, one Secretary I, as well as funding for 85% of one Supervising District Attorney Investigator. 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 \$2,468,805 was included in the District Attorney's 2022-23 budget. A budget adjustment for the additional \$285,162 is requested below:

Fund Center	Commitment Item	Description	Action	Amount
4500002672	40408955	State - Grants	Increase	\$285,162
4500002672	55405010	Salaries & Benefits Transfers Out	Increase	\$285,162
4500001000	55415011	Salaries & Benefits Transfers In	Increase	\$285,162
4500001000	51001010	Salaries	Increase	\$285,162

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 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 12, 2022 (Item No. 19), the Board of Supervisors (Board) approved the Department's grant application to the California Insurance Commissioner requesting funding for the period of July 1, 2022 through June 30, 2023. On July 6, 2022, the Department received notification from the California Insurance Commissioner of the County's grant award in the amount of \$2,753,967 for the period of July 1, 2022 through June 30, 2023. On December 19, 2022, the Department received notification that the Grant Award Agreement would come from their newly established online Grants Management System and would require electronic signature via DocuSign on December 21, 2022, which would be due on January 20, 2023. 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 will have no impact on the Department's 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 Chief Deputy District Attorney to electronically sign the agreement. The January 20, 2023 date to return the electronically signed Grant Award Agreement has been extended to January 27, 2023 to ensure adequate time to obtain Board approval.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5455) on December 28, 2022; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on January 10, 2023; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on January 5, 2023; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on January 9, 2023.