



OFFICE OF THE DISTRICT ATTORNEY

County of Ventura, State of California

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December 8, 2009

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Re: Adopt and Authorize Chair to Sign Resolution to Accept Grant Funds Administered by the California Department of Insurance for the Workers' Compensation Fraud Prosecution Program

RECOMMENDATION:

It is recommended that your Board:

Adopt and authorize the Chair to sign the attached resolution authorizing the District Attorney to accept State of California grant funds in the amount of \$724,615 in order to continue the Workers' Compensation Fraud Prosecution Program funded pursuant to California Insurance Code section 1872.83 and California Code of Regulations, Title 10, Chapter 5, Subchapter 9, Article 3, Section 2698.55, for the grant period of July 1, 2009, through June 30, 2010.

FISCAL/MANDATE IMPACT:

Mandatory:	Yes - Government Code Section 26501 and Insurance Code Section 1877.3(b)
Source of Funding:	State of California Department of Insurance
Funding Match Required:	None
Impact on Other Departments:	None



Summary of Revenue and Total Costs:

	<u>FY 2009/10</u>	<u>FY 2010/11</u>
Revenue:	\$ 724,615	\$ 0
Costs:		
Direct:	\$ 677,365	\$ 0
Indirect:	\$ 47,250	\$ 0
Total Costs:	\$ 724,365	\$ 0
Net County Cost Including Indirect:	\$ 0	\$ 0
Recoverable Indirect:	\$ 47,250	\$ 0

CURRENT BUDGET PROJECTIONS:

FY 2009-10 Budget Projection for District Attorney BU#3400				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimate (Savings/Deficit)
Appropriations	\$36,130,114	\$36,798,210	\$36,798,210	\$0
Revenue	\$14,613,309	\$14,613,309	\$14,613,309	\$0
Net Cost	\$21,516,805	\$22,184,901	\$22,184,901	\$0

DISCUSSION:

The Workers' Compensation Insurance Fraud Prosecution Program was established in April 1993. The purpose of the program is to deter and prevent workers' compensation fraud by employees, employers, medicolegal providers, and insurers. The program specifically seeks to reduce the number of fraudulent workers' compensation claims, to reduce the number of fraudulent claims paid, to protect injured employees, and to reduce the cost of workers' compensation insurance premiums. California's citizens and consumers ultimately pay for the high cost of the workers' compensation system. By deterring all forms of workers' compensation insurance fraud, the program helps to level the playing field for businesses to compete, reduces workers' compensation costs, and reduces the total cost of doing business in California.

The District Attorney's Workers' Compensation Insurance Fraud Program has established a multi-faceted approach to combating this serious and costly form of fraud. We aggressively investigate and prosecute medicolegal providers, employers, insurers, and employees who seek to defraud the workers' compensation system. The largest numbers of prosecutions have involved employee applicant fraud where employees make misrepresentations in order to fraudulently obtain workers' compensation benefits; however, a large portion of our program's

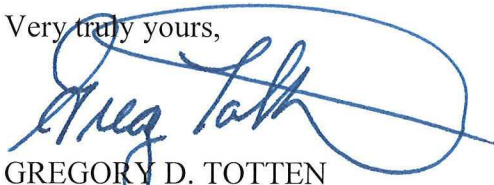
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resources are also devoted to those employers who make fraudulent misrepresentations to their insurers, the Employment Development Department, and the State Franchise Tax Board. In 2001, the District Attorney initiated the Ventura County Underground Economy/Employer Fraud Task Force, which includes members from five separate state agencies, in order to better protect workers and to provide honest employers a level playing field in which they can compete in Ventura County.

A grant award of \$724,615 for FY2009/10 will provide funding for two prosecutors, one full-time investigator, one part-time investigator, one part-time secretary, and operating expenses. The grant funding will allow the continuation of the District Attorney's Workers' Compensation Insurance Fraud efforts as well as the Ventura County Underground Economy/Employer Fraud Task Force. Grant revenue and costs associated with this program have been included in the FY 2009/10 adopted budget. This is an ongoing grant and has been included on the list of recurring grants for the fiscal year; however, the Department of Insurance is requesting a certified copy of the Resolution of the Board of Supervisors. I respectfully urge your continued support of this very important program and your approval of this request.

This item has been reviewed by the County Executive Officer, the Auditor-Controller's Office, and County Counsel. Questions regarding this item may be directed to Supervising Deputy District Attorney Kevin Drescher at 662-1722, or Chief Deputy District Attorney Gregory Brose at 662-1705.

Very truly yours,



GREGORY D. TOTTON
District Attorney

GDT\cb

pc: Marty Robinson, County Executive Officer
Christine Cohen, Auditor-Controller
Noel A. Klebaum, County Counsel