STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

November 20, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 15th YEAR GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (SCDI) FOR THE WORKERS' COMPENSATION INSURANCE FRAUD (WCIF) PROGRAM FOR FISCAL YEAR (FY) 2007-08 (ALL DISTRICTS) (4-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the WCIF Program from the SCDI. Funds in the amount of $4,899,000 have been awarded for the period of July 1, 2007 to June 30, 2008. There is no required County match for this grant.

2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.

3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the GAA that do not increase the net County cost of the agreement.

4. Approve the attached budget adjustment in the amount of $283,000 to allocate spending authority to salary and employee benefits for the WCIF Program. This amount represents the difference between the grant award and the amount budgeted for FY 2007-08.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The SCDI has awarded funding for the WCIF Program for the past fourteen years. On April 27, 2007 the District Attorney's Office (DA) submitted an application to the SCDI to continue funding for this Program in FY 2007-08.

The DA was awarded $4,899,000 for this program to be used solely for the investigation and prosecution of workers' compensation fraud cases, and cases relating to the willful failure of employers to remit payments into workers' compensation programs designed to protect employees.

The objective of the Los Angeles County District Attorney's Workers' Compensation Insurance Fraud Program is the prevention, deterrence and prosecution of those who abuse the workers' compensation system by criminal methods.

Since 2004-05, the WCIF Program has reported the following:

	FY04-05	FY05-06	FY06-07
Number of suspected fraud claims reviewed	786	506	665
Number of new (investigation) cases	134	163	331
Number of new case filings/indictments initiated	39	107	137
Number of defendants convicted	46	78	106

The reported number of defendants convicted includes felony and misdemeanor charges. There were a total of 172 cases in progress during FY 2006-07 which included 188 defendants and total chargeable fraud of $19,414,786.

Board approval is required to accept grant funds and the SCDI requires an approved resolution by the County Board of Supervisors as part of the GAA. Adoption of the enclosed resolution has been approved as to form by County Counsel and will satisfy County and State requirements.

Implementation of Strategic Plan Goals

Acceptance of the grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing available revenue to offset program costs. This program directly supports the District Attorney's core mission of prevention, deterrence and prosecution of felony crime throughout the County.

FISCAL IMPACT/FINANCING

The amount of $4,899,000 has been awarded to the Los Angeles County District Attorney's Office for the WCIF Program for the period of July 1, 2007 to June 30, 2008.

The attached budget adjustment in the amount of $283,000 represents the difference between the actual grant award and the amount included in the 2007-08 department budget for the WCIF Program. Salary and employee benefit increases will be funded by the $283,000 difference. There is no net County cost associated with this program.

If funding for this program were terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of Section 1872.83 of the California Insurance Code, the State Department of Insurance is authorized to award and distribute funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent workers' compensation claims.
The District Attorney's Office has been awarded funding for this Program for the last fourteen years.

IMPACT ON CURRECT SERVICES (OR PROJECTS)

This program does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to call Ms. Emily Aidells at (213) 202-7674 when one copy of the adopted Board letter and two (2) copies of the executed Resolution, containing original signatures, are available for pick-up. Any questions may be directed to Ms. Aidells.

Respectfully submitted,

STEVE COOLEY
District Attorney

al

Attachments

c: Chief Executive Officer
County Counsel

Los Angeles County Chief Administrative Office
Grant Management Statement for Grants Exceeding $100,000

Department: District Attorney

Grant Project Title and Description Workers' Compensation Insurance Fraud Program

The objective of this program is to enhance the identification, investigation and prosecution of organized workers' compensation insurance fraud. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (SCDI) to investigate and prosecute unscrupulous doctors, chiropractors, lawyers and others engaged in workers' compensation insurance fraud in Los Angeles County.

Funding Agency	Program (Fed. Grant # /State Bill or Code #)	Grant Acceptance Deadline
California Department of Insurance	California Insurance Code Section 1872.83	

Total Amount of Grant Funding: $4,899,000 **County Match:** $0
Grant Period: FY2007-2008 **Begin Date:** July 1, 2007 **End Date:** June 30, 2008
Number of Personnel Hired Under This Grant: 30 **Full Time:** 27 **Part Time:** 3

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ✓ No__

Will all personnel hired for this program be placed on temporary ("N") items? Yes ✓ No __

Is the County obligated to continue this program after the grant expires? Yes __ No ✓

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes __ No ✓

b). Identify other revenue sources Yes __ No ✓
(Describe)_____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ✓ No __

55 **Impact of additional personnel on existing space:** None

Other requirements not mentioned above: None

Department Head Signature _____ **Date** 11/07/07

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES

RESOLUTION

Authorization to Accept a Grant Award from the

State of California, Department of Insurance

Pursuant to California Insurance Code

Chapter 12 commencing with Section 1871, et seq.

WHEREAS, the provisions of Section 1872.8 of the California Insurance Code authorize the State Department of Insurance to award and distribute certain funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent workers' compensation claims; and the District Attorney is charged with providing prosecution of all felony offenses committed within this County; and

WHEREAS, the Board of Supervisors of Los Angeles County recognizes that fraudulent claims are costing our citizens millions of dollars annually, with thousands of jobs being lost due to local business closures precipitated by escalating workers' compensation costs caused by fraud; and

WHEREAS, the County of Los Angeles, acting through its Board of Supervisors, desires to combat workers' compensation insurance fraud by undertaking a certain project designated the "Workers' Compensation Insurance Fraud Program" by the District Attorney to be funded through funds made available by the Insurance Fraud Prevention Act as provided for pursuant to California Insurance Code 1872.83, administered by the California Department of Insurance; and

WHEREAS, the State of California Department of Insurance approved the fraud reduction plan submitted by the Los Angeles County District Attorney's

for Fiscal Year 2007-2008, for the Workers' Compensation Insurance Fraud Program for this specific task.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Los Angeles hereby authorizes and approves acceptance of grant funds from the State of California, Department of Insurance, to be used exclusively for the program designated the "Workers' Compensation Insurance Fraud Program" for the period covering July 1, 2007 to June 30, 2008;

BE IT FURTHER RESOLVED that the County of Los Angeles hereby authorizes the District Attorney to serve as Project Director and to perform all further tasks necessary for the completion of the project, including

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

any extensions, execution and submission of amendments, progress reports, and payment requests relating to the Grant Award Agreement;

I DO HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of the County of Los Angeles, on this 20th day of November, 2007, the forgoing Resolution was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Board of Supervisors of the County of Los Angeles this 20th day of November, 2007.

County of Los Angeles

By _____
Chair, Board of Supervisors

SACHI A. HAMAI
Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

RAYMOND G. FORTNER, JR.

By _____
Deputy

76R 352M 11/83

BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 370

DEPARTMENT OF District Attorney's Office

November 20, 2007

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2007-08

4 - VOTES

SOURCES:		USES:	
District Attorney		District Attorney	
A01-DA-88-8831-14030		A01-DA-1000-14030	
State-Other	283,000.00	Salaries & Employee Benefits	283,000.00
Increase Revenue		Increase Appropriation	

JUSTIFICATION:

This Budget Adjustment allocates unbudgeted revenue from the State of California Department of Insurance (SCDI) for the Workers' Compensation Insurance Fraud (WCIF) Program. The additional appropriation will provide sufficient funds to successfully implement the program.

Norbert Ruiz, Chief
Budget & Fiscal Services Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

38 NOV 20 2007

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION

RECOMMENDATION

AUDITOR-CONTROLLER BY Barbara Harkham 11-05-07

No. 053

APPROVED AS REQUESTED ✓ AS REVISED

November 6, 2007 Jacqueline White
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): BOARD OF SUPERVISORS 19

BY
DEPUTY COUNTY CLERK

SEND 5 COPIES TO THE AUDITOR-CONTROLLER