



JACKIE LACEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

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210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 15, 2015

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

43 December 15, 2015


PATRICK O'GAWA
ACTING EXECUTIVE OFFICER

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (CDI) FOR AUTOMOBILE INSURANCE FRAUD (AIF), ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION "URBAN GRANT", WORKERS' COMPENSATION INSURANCE FRAUD (WCIF) AND DISABILITY AND HEALTHCARE INSURANCE FRAUD (DHIF) PROGRAMS; AND APPROVE THE APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2015-16 (ALL DISTRICTS) (4-VOTES)

SUBJECT

The State of California, Department of Insurance (CDI) has awarded the District Attorney's Office (DA) \$4,700,955 for the Automobile Insurance Fraud (AIF) Program, \$2,121,829 for the Urban Grant Program, \$6,459,538 for the Workers' Compensation Insurance Fraud (WCIF) Program, and \$1,434,346 for the Disability and Healthcare Insurance Fraud (DHIF) Program to support enhanced investigation and prosecution of fraud activity, and approve an Appropriation Adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the District Attorney to accept grant funds from CDI, for the period of July 1, 2015 to June 30, 2016, for Automobile Insurance Fraud (AIF) in the amount of \$4,700,955; Urban Grant in the amount of \$2,121,829; Workers' Compensation Insurance Fraud (WCIF) in the amount of \$6,459,538; and Disability and Healthcare Insurance Fraud (DHIF) in the amount of \$1,434,346. There is no required County match for these programs.
2. Authorize the District Attorney to execute the Grant Award Agreements (GAA) on behalf of

the County of Los Angeles.

3. Authorize the District Attorney or her designee, on behalf of the County of Los Angeles, to serve as Project Director and to sign and approve any revisions to the GAAs that do not increase the Net County Cost of the Agreements.

4. Approve the attached Appropriation Adjustment in the amount of \$1,020,000 to allocate fullfunding for the salary and employee benefits of one Paralegal for WCIF Program; and to supplement the salaries and employee benefits, and services and supplies appropriation for FY 2015-16.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The objective of these programs is to maintain an active partnership in anti-fraud efforts. Accordingly, the DA's Office submitted grant applications to CDI for FY 2015-16. The AIF application was submitted on June 23, 2015, WCIF on April 28, 2015. On July 7, 2015, a three-year Urban grant application was submitted covering FY 2015-16 through FY 2017-18.

For DHIF, two Requests-for-Application were submitted on June 10, 2015.

The DA's Office received the GAAs from the CDI for the funds awarded to AIF, Urban Grant, WCIF and DHIF Programs.

Board approval is required to accept grant funds for AIF, Urban Grant, WCIF and DHIF Programs from CDI for FY 2015-16.

The Request for Appropriation Adjustments are needed in order to align the DA's budget with the full amount awarded to each program.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with Los Angeles County's Strategic Plan, Goal No. 1, Operational Effectiveness/Fiscal Sustainability, to maximize the effectiveness of the County's processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and Goal 3, Integrated Services Delivery, to maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

The CDI administers the grant programs and the distribution of funds for enhanced investigation and prosecution of automobile insurance fraud cases, organized automobile insurance fraud activity, workers' compensation fraud cases, and fraudulent disability and healthcare insurance fraud claims.

The CDI awarded grant funding for DA fraud programs for FY 2015-16. The \$1,020,000 Appropriation Adjustment will be used as follows:

- AIF Program – Increase Services and Supplies appropriation by \$1,000. This amount represents the difference between the grant award of \$4,701,000 and the \$4,700,000 that was included in the District Attorney's FY 2015-16 Final Adopted Budget.
- WCIF Program – Increase Salaries and Employee Benefits appropriation by \$549,000, and Services and Supplies by \$111,000. This amount represents the difference between the total grant award of \$6,460,000 and the \$5,800,000 that was included in the District Attorney's FY 2015-16 Final Adopted Budget.
- DHIF Program – Increase Salaries and Employee Benefits appropriation by \$359,000. This amount represents the difference between the total grant award of \$1,434,000 and the \$1,075,000 that was included in the District Attorney's FY 2015-16 Final Adopted Budget.

These different amounts for the above mentioned three programs are to be adjusted in FY 2015-16.

In light of the State's budget situation, if funding for these programs were to be terminated, an evaluation of each program 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 Insurance Code Sections 1872.8(b)(1)(d) (AIF), 1874.8 (Urban Grant), 1872.83(d) (WCIF), and 1872.85(c)(2) (DHIF), CDI is authorized to award and distribute certain funds to District Attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of organized automobile insurance fraud activity, workers' compensation fraud cases and fraudulent eligibility and healthcare insurance claims.

The DA has been awarded funding for AIF for the past twenty-two years, Urban Grant for fourteen years, WCIF for twenty-four years, and DHIF for ten years.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These programs do not propose attorney staff augmentation. Therefore, the DA 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

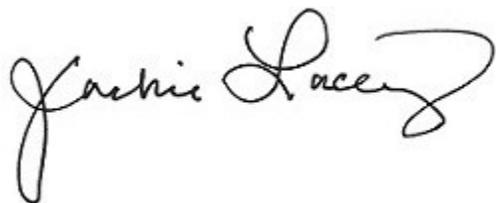
Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter to Emily Aidells, District Attorney's Office, 211 West Temple Street, Suite 200, California 90012. Any questions may be directed to Ms. Aidells at (213) 257-2804.

The Honorable Board of Supervisors

12/15/2015

Page 4

Respectfully submitted,

A handwritten signature in black ink that reads "Jackie Lacey". The signature is written in a cursive, flowing style.

JACKIE LACEY

District Attorney

rfm

Enclosures

c: Executive Officer, Board of Supervisors
Chief Executive Officer
County Counsel
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY

DEPT'S. NO. 370

November 12, 2015

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2015-16

4 - VOTES

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGE 1

BA DETAIL - SEE ATTACHMENT PAGE 1

SOURCES TOTAL: \$ 1,020,000

USES TOTAL: \$ 1,020,000

JUSTIFICATION

The Budget Adjustment allocates the unbudgeted revenues from the Automobile Insurance Fraud (AIF), Workers' Compensation Insurance Fraud (WCIF), and Disability and Healthcare Insurance Fraud (DHIF) Programs. The Appropriation Adjustments are needed in order to align the District Attorney's budget with the full amount awarded to each program.

ADOPTED BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE NORBERT RUIZ DEPT'L. FINANCE MANAGER II

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

43 DEC 15 2015

PATRICK OGAWA ACTING EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

- ACTION RECOMMENDATION

AUDITOR-CONTROLLER

BY [Signature]

B.A. NO. 051

Nov. 19 20 15

- APPROVED AS REQUESTED APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY [Signature]

November 24 20 15

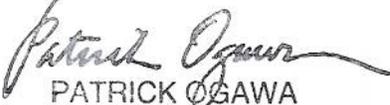
County of Los Angeles
Request for Appropriation Adjustment
District Attorney
Fiscal Year 2015-16
4-VOTES

<u>SOURCES</u>		<u>USES</u>	
District Attorney A01-DA-88-8810-14030 State-Special Grants Increase Revenue	\$1,020,000	District Attorney A01-DA-1000-14030 Salaries & Employee Benefits Increase Appropriation	\$908,000
		District Attorney A01-DA-2000-14030 Services & Supplies Increase Appropriation	\$112,000
TOTAL	<u>\$1,020,000</u>	TOTAL	<u>\$1,020,000</u>

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

43

DEC 15 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

BA# 051

San Jan 11/19/15

**Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000**

Department: District Attorney

Grant Project Title and Description **Automobile Insurance Fraud Program**

The objective of this program is to enhance prosecutorial efforts and criminal investigations of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (CDI) to identify, investigate and prosecute organized automobile insurance fraud rings (staged accidents, cappers, etc.). Perpetrators also include unscrupulous doctors, chiropractors, lawyers and others who profit from fraudulent automobile insurance claims.

Funding Agency California Department of Insurance	Program (Fed. Grant # /State Bill or Code #) California Insurance Code § 1872.8	Grant Acceptance Deadline
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Total Amount of Grant Funding: \$4,700,955 **County Match:** \$0
Grant Period: FY 2015-16 **Begin Date:** July 1, 2015 **End Date:** June 30, 2016
Number of Personnel Hired Under This Grant: 24 **Full Time:** 20 **Part Time:** 4*
* Three positions @ 95% are grant-funded by AIF Program. One position @ 10% is partially grant-funded by Urban Grant Program.

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:

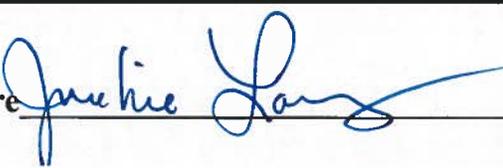
a). Absorb the program cost without reducing other services Yes No

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

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

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature  **Date** 8/11/2015

**Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000**

Department: District Attorney

**Grant Project Title and Description: Organized Automobile Insurance Fraud Activity Interdiction
"Urban Grant" Program**

The State Organized Automobile Fraud Interdiction Activity "Urban Grant" Program combats organized automobile insurance fraud and economic auto theft activity in California's urban areas. This program is designed to increase the investigation and prosecution of this widespread crime in Los Angeles County. The Los Angeles County District Attorney's Office, with the collaboration of the California Highway Patrol, CDI, and the Los Angeles Police Department has broken up numerous staging gangs that have caused millions of dollars in losses.

Funding Agency California Department of Insurance	Program (Fed. Grant # /State Bill or Code #) Urban Grant (AB1050), California Insurance Code § 1874.8	Grant Acceptance Deadline
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Total Amount of Grant Funding: \$2,121,829 **County Match:** \$0
Grant Period: FY2015-2016 **Begin Date:** July 1, 2015 **End Date:** June 30, 2016
Number of Personnel Hired Under This Grant: 10 **Full Time:** 9 **Part Time:** 1*
 *This position is partially grant-funded by Automobile Insurance Fraud Program.

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:

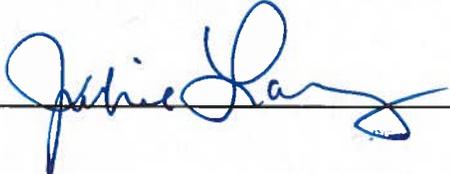
a). Absorb the program cost without reducing other services Yes No

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

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

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature  **Date** 11/6/15

**Los Angeles County Chief Executive 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 (CDI) to investigate and prosecute unscrupulous doctors, chiropractors, lawyers and others engaged in workers' compensation insurance fraud in Los Angeles County.

**Funding Agency
California Department of
Insurance**

**Program (Fed. Grant # /State Bill or Code #)
California Insurance Code § 1872.83**

Grant Acceptance Deadline

Total Amount of Grant Funding: \$6,459,538

County Match: \$0

Grant Period: FY 2015-2016 Begin Date: July 1, 2015

End Date: June 30, 2016

Number of Personnel Hired Under This Grant: 33

Full Time: 28 Part Time: 5*

*These positions are partially grant-funded by both Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

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

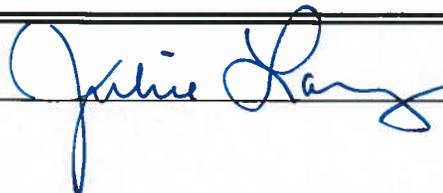
b). Identify other revenue sources Yes No
(Describe) _____

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

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date

11/6/15

**Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000**

Department: District Attorney

Grant Project Title and Description: Disability and Healthcare Insurance Fraud Program

The objective of this program is to enhance the criminal investigation and prosecution of fraudulent disability and healthcare insurance claims in Los Angeles County. These grant funds will allow the District Attorney's Office to successfully implement this program and reduce disability and healthcare insurance fraud through collaborative efforts with the State of California, Department of Insurance (CDI) and local law enforcement agencies.

**Funding Agency
California Department of
Insurance**

**Program (Fed. Grant # /State Bill or Code #)
California Insurance Code §1872.85**

Grant Acceptance Deadline

Total Amount of Grant Funding: \$1,434,346

County Match: \$0

Grant Period: FY 2015-2016 Begin Date: July 1, 2015

End Date: June 30, 2016

Number of Personnel Hired Under This Grant: 12

Full Time: 5 Part Time: 7*

*These positions are partially grant-funded by both Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

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

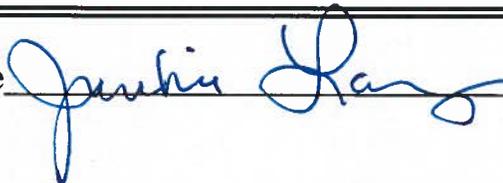
b). Identify other revenue sources Yes No
(Describe) _____

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

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date 11/6/15