



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

January 12, 2010

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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

51 JAN 12 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 17th YEAR GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (CDI) FOR THE WORKERS' COMPENSATION INSURANCE FRAUD (WCIF) PROGRAM FOR FISCAL YEAR 2009-10 (ALL DISTRICTS) (4-VOTES)

SUBJECT

The Workers' Compensation Insurance Fraud (WCIF) Program supports enhanced investigation and prosecution of workers' compensation fraud cases. The District Attorney is requesting approval to accept grant funds in the amount of \$5,337,000 for FY 2009-10.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the attached Resolution authorizing the District Attorney to accept grant funds for the WCIF Program from the State of California, Department of Insurance (CDI). Funds in the amount of \$5,337,000 have been awarded for the period of July 1, 2009 to June 30, 2010. The amount represents the FY 2009-10 grant award of \$5,067,000 and \$270,000 carryover funds approved by CDI from FY 2008-09. 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 an appropriation adjustment to increase the District Attorney's budget in the amount of \$721,000 (Salaries and Employee Benefits - \$445,000; Services and Supplies - \$216,000; and Fixed Assets - \$60,000) for FY 2009-10. This amount represents the difference between the grant award of \$5,337,000 and the \$4,616,000 that was included in the District Attorney's FY 2009-10 Final Adopted Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 23, 2009, the District Attorney's Office (DA) submitted an application to the CDI to continue funding for the WCIF Program in FY 2009-10. The DA was awarded \$5,067,000 for the period of July 1, 2009 to June 30, 2010.

In addition, FY 2008-09 had carryover funds in the amount of \$270,000 for use in FY 2009-10. Therefore, the total available funding from CDI for this program is \$5,337,000, of which \$4,616,000 was included in the District Attorney's FY 2009-10 Final Adopted Budget. An appropriation adjustment for the difference of \$721,000 is needed in order to align the District Attorney's budget with the full amount awarded to the program.

The objective of the DA's WCIF Program is the prevention, deterrence and prosecution of those who abuse the workers' compensation system by criminal methods.

Board approval is required to accept grant funds and the CDI requires an approved resolution as part of the GAA. The attached resolution has been approved as to form by County Counsel and adoption of the resolution will satisfy County and State requirements.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the Los Angeles County's Strategic Plan Goal No. 1, Operational Effectiveness, to maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of

customer-oriented and efficient public services; and Strategic Plan Goal No. 5, Public Safety, to ensure that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County.

FISCAL IMPACT/FINANCING

The total grant funding awarded to the WCIF Program for FY 2009-10 is \$5,337,000. The amount represents the FY 2009-10 grant award of \$5,067,000 and \$270,000 in approved carryover funding from FY 2008-09. There is no Net County Cost associated with this program.

The \$721,000 appropriation adjustment is the difference between the WCIF grant award amount of \$5,337,000 and the \$4,616,000 that was included in the District Attorney's FY 2009-10 Final Adopted Budget. Approval of the appropriation adjustment will allocate additional funding of \$445,000, \$216,000, and \$60,000 for Salary and Employee Benefits, Services and Supplies, and Fixed Assets, respectively.

In light of the State's budget situation, if funding for this program were to be 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 § 1872.83 of the California Insurance Code, the 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 fraudulent workers' compensation claims.

The DA has been awarded funding for the WCIF Program for the past sixteen years.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This program does 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.

The Honorable Board of Supervisors
January 12, 2010
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CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter, and two (2) copies of the executed Resolution to Ms. Emily Aidells, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, California, 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Respectfully submitted,



STEVE COOLEY
District Attorney

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Attachments

c: Chief Executive Officer
Acting County Counsel
Executive Office, Board of Supervisors

1 **BOARD OF SUPERVISORS**
2 **COUNTY OF LOS ANGELES**

3 **RESOLUTION**

4 Authorization to Accept a Grant Award from the
5 State of California, Department of Insurance
6 Pursuant to California Insurance Code
7 Chapter 12, commencing with § 1871, et seq.

8 **WHEREAS**, the provisions of § 1872.83 of the California
9 Insurance Code authorize the State of California, Department of Insurance to
10 award and distribute certain funds to District Attorneys submitting plans
11 approved by the Fraud Division for the increased investigation and
12 prosecution of fraudulent workers' compensation claims; and the District
13 Attorney is charged with providing prosecution of all felony offenses
14 committed within this County; and

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

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

25 **WHEREAS**, the State of California, Department of Insurance
26 approved the fraud reduction plan submitted by the Los Angeles County District

1 Attorney's Office for FY 2009-2010, for the Workers' Compensation Insurance
2 Fraud Program for this specific task.

3 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors
4 of the County of Los Angeles hereby authorizes and approves acceptance of grant
5 funds from the State of California, Department of Insurance, to be used
6 exclusively for the program designated the "Workers' Compensation Insurance
7 Fraud Program" for the period covering July 1, 2009 to June 30, 2010;

8 **BE IT FURTHER RESOLVED** that the County of Los Angeles
9 hereby authorizes the District Attorney to serve as Project Director and to
10 perform all further tasks necessary for the completion of the project, including
11 any extensions, execution and submission of amendments, progress reports,
12 and payment requests relating to the Grant Award Agreement;

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1 I DO HEREBY CERTIFY that at a regular meeting of the Board of
2 Supervisors of the County of Los Angeles, on this 12th day of
3 January, 2010, the foregoing Resolution was adopted.

4 IN WITNESS WHEREOF, I have hereunto set my hand and
5 affixed the seal of the Board of Supervisors of the County of Los Angeles
6 this 12th day of January, 2010.

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9 County of Los Angeles
10 By Gloria Trubian
Chair, Board of Supervisors

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12 APPROVED AS TO FORM
BY ACTING COUNTY COUNSEL:

13 ROBERT KALUNIAN
14 By Jennifer A. D. Lehman
15 Jennifer A. D. Lehman
Principal Deputy County Counsel

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17 ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
18 By Lachelle Smith Deputy



COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY'S OFFICE

DEPT'S. NO. 370

December 16, 2009

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 2009-2010

4 - VOTES

SOURCES

USES

Please see attached.

Please see attached.

SOURCES TOTAL: \$ 721,000

USES TOTAL: \$ 721,000

JUSTIFICATION

This Budget Adjustment allocates the unbudgeted revenue from the State of California, Department of Insurance for the Workers' Compensation Insurance Fraud (WCIF) Program. The additional appropriation is necessary in order to successfully implement the program.

ADOPTED BOARD OF SUPERVISORS

AUTHORIZED SIGNATURE Norbert Ruiz

51 JAN 12 2010

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

SACHI A. HAMAI EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR --

- ACTION
RECOMMENDATION

- APPROVED AS REQUESTED
APPROVED AS REVISED

AUDITOR-CONTROLLER

BY Karen Shukuma

CHIEF EXECUTIVE OFFICER

BY Shal Will

B.A. NO. 078

Dec 29 20 09

December 29 20 09

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

Total Amount of Grant Funding: \$5,337,000	County Match: \$0
Grant Period: FY 2009-2010 Begin Date: July 1, 2009	End Date: June 30, 2010
Number of Personnel Hired Under This Grant: 32	Full Time: 29 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

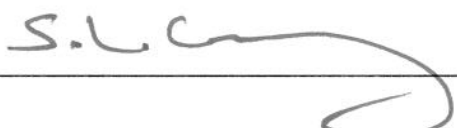
b). Identify other revenue sources Yes No
(Describe) _____

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

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____



Date 11/23/09

SOURCES

District Attorney
A01 – DA – 88 – 8831 – 14030
State – Other \$721,000
Increase Revenue

Total: \$721,000

USES

District Attorney
A01 – DA – 1000 - 14030
Salaries & Employee Benefits \$445,000
Increase Appropriation

District Attorney
A01 – DA – 2000 – 14030
Services & Supplies \$216,000
Increase Appropriation

District Attorney
A01 – DA – 6030 – 14030
Fixed Assets - Equipment \$60,000
Increase Appropriation

Total: \$721,000

BA # 078 Kour Shikama 12/29/09