



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

July 17, 2023

The Honorable Vern R. Pierson
District Attorney
El Dorado County District Attorney's Office
778 Pacific Street
Placerville, CA 95667

**RE: Grant Award for Workers' Compensation Insurance Fraud Program
Fiscal Year 2023-2024**

Dear District Attorney Pierson,

I am very pleased to report that, for Fiscal Year 2023-2024, a total of \$50,545,239 is available in Workers' Compensation Insurance Fraud Program grant funds to be distributed to 34 District Attorney Offices representing 44 counties, of which **El Dorado** has been awarded **\$506,895** for this important Program. This grant award is to be used for the investigation and prosecution of workers' compensation insurance fraud.

The decision to grant these funds was made by my Department staff, in consultation with the California Fraud Assessment Commission. Each application received for grant funding was thoroughly reviewed, with careful consideration given to the applicant's plan to achieve the goals and objectives set by me and the Fraud Assessment Commission earlier this year.

It is my continuing intent that these funds be used effectively to pursue and investigate workers' compensation fraud across California. It is also important to focus these finite resources on combating fraud that continues to increase costs on the workers' compensation system, including medical provider insurance fraud, employer premium fraud, insider fraud, and claimant fraud, among others. Additionally, a coordinated and aggressive outreach program to all communities by your office, including to diverse and underserved communities, with measurable outcomes remains a priority of mine.

Please feel free to contact Victoria Martinez, CDI Deputy Chief, Fraud Division, at (323) 278-5062 should you have any questions regarding your award. The Local Assistance Unit will contact you regarding budget approvals in the new post award system.

Thank you for submitting your application for grant funding and, moreover, congratulations on your award. I look forward to working together with you in our continuing pursuit against workers' compensation insurance fraud.

Sincerely,

A handwritten signature in black ink, appearing to read "Ricardo Lara".

RICARDO LARA
Insurance Commissioner

cc: James Clinchard, Assistant District Attorney

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Application Report



Applicant Organization:

El Dorado

Project Name: FY 23-24 WC El Dorado

Application ID: App-23-147

Funding Announcement: FY 23-24 Workers' Compensation Insurance Fraud Program

Requested Amount: \$644,024.00

Section Name: Overview Questions

Sub Section Name: General Information

1. Applicant Question: Multi-County Grant

Is this a multi-county grant application request? If Yes, select the additional counties.

Applicant Response:

No

2. Applicant Question: FY 21-22 Audited Unexpended Funds

Excluding interest, what was the amount of your FY 21-22 Audited Unexpended Funds? If none, enter "0".

Applicant Response:

\$98,750.00

3. Applicant Question: FY 21-22 Audited Unexpended Funds Percentage of FY 21-22 Award

Your FY 21-22 Audited Unexpended Funds are what percentage of your FY 21-22 total award? If none, enter "0".

Total Award excludes interest earned and incoming carryover. To calculate percentage, divide your audited unexpended funds by your total award. Round to the nearest whole number.

Example:

FY 21-22 Total Award: \$100,000

FY 21-22 Audited Unexpended Funds: \$23,750

FY 21-22 Audited Unexpended Funds Percentage: 24%

Applicant Response:

22.00%

4. Applicant Question: Contact Updates

Have you updated the Contacts and Users for your Program? Did you verify the Contact Record for your County’s District Attorney?

- **Contacts** are those, such as your elected District Attorney, who need to be identified but do not need access to GMS.
- **Users** are those individuals who will be entering information/uploading into GMS for the application. **Confidential Users** have access to everything in all your grant applications. **Standard Users** do not have access to the Confidential Sections where Investigation Activity is reported. Typical Standard Users are budget personnel.

Applicant Response:

Yes

5. Applicant Question: Program Contacts

Identify the individuals who will serve as the Program Contacts. These individuals shall be entered as a User or Contact in GMS.

On the final submission page, you will link these individuals' contact records to the application.

Project Director/Manager is the individual ultimately responsible for the program. This person must be a Confidential User.

Case Statistics/Data Reporter is the individual responsible for entering the statistics into the DAR (District Attorney Program Report). This person should be a Confidential User.

Compliance/Fiscal Officer is the individual responsible for all fiscal matters relating to the program. This must be someone other than the Project Director/Manager. This person is usually a Standard User.

Applicant Response:

Program Contacts	Name
Project Director / Manager	James Clinchard
Case Statistics / Data Reporter	Ryan Lorey
Compliance / Fiscal Officer	Kerri Williams-Horn

6. Applicant Question: Statistical Reporting Requirements

Do you acknowledge the County is responsible for separately submitting a Program Report using the CDI

website, DA Portal?

To access the DAR webpage on the CDI website: right click on the following link to open a new tab, or copy the URL into your browser.

<http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/10-anti-fraud-prog/dareporting.cfm>

As a reminder, Vertical Prosecutions should not be counted as an Investigation, a Joint Investigation, or an Assist in the DAR.

Applicant Response:

Yes

7. Applicant Question: Required Documents Upload

Have you reviewed the Application Upload List and properly named and uploaded the documents into your Document Library?

To view/download the Application Upload List: go the Announcement, click View, and at the top of the page select Attachments. Items must be uploaded into the Document Library before you can attach them to the upcoming questions.

Applicant Response:

Yes

8. Applicant Question: Grant Indirect Cost Plan

If your application budget includes indirect costs, you must upload your Grant Indirect Cost Plan here and label it "23-24 WC (county name) Grant Indirect Cost Plan".

Your Grant Indirect Cost Plan needs to include a list of category expenses for which you are utilizing the indirect cost funds. Make sure no line items in the budget are duplicated in your Grant Indirect Cost Plan.

If your application budget does not include any Indirect Costs, mark the N/A response.

Applicant Response:

[23-24 WC El Dorado Grant Indirect Cost Plan.docx](#) - WORD DOCUMENT

Sub Section Name: BOS Resolution

1. Applicant Question: BOS Resolution

Have you uploaded a Board of Supervisors (BOS) Resolution to the Document Library and attached it to this question?

A BOS Resolution for the new grant period must be uploaded to GMS to receive funding for the 2023-2024 Fiscal Year. If the resolution cannot be submitted with the application, it must be uploaded no later than January 2, 2024. There is a sample with instructions located in the Announcement Attachments, 3b.

Applicant Response:

No

2. Applicant Question: Delegated Authority Designation

Choose from the selection who will be the person submitting this application, signing the Grant Award Agreement (GAA) in GMS, and approving any amendments thereof.

The person selected must be a Confidential User, who will attest their authority and link their contact record on the submission page of this application. A sample Designated Authority Letter is located in the Announcement Attachments, 3a. CDI encourages the contact named as Project Director/Manger be the designated authority, should that be your selection.

Applicant Response:

Designated Person named in Attached Letter

Attachment:

[23-24 WC El Dorado County Designated Authority Designation Letter.pdf](#) - PDF FILE

Section Name: County Plan

Sub Section Name: Qualifications and Successes

1. Applicant Question: Successes

What areas of your workers' compensation insurance fraud program were successful and why?

Detail your program's successes for ONLY the 21-22 and 22-23 Fiscal Years. It is not necessary to list every case. If a case is being reported in more than one insurance fraud grant program, clearly identify the component(s) that apply to this program. If you are including any task force cases in your caseload, name the task force and your county personnel's specific involvement/role in the case(s). Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

EI Dorado County continues to be the cornerstone and lead county agency of the successful Northern Impact Workers' Compensation Insurance Fraud Task Force (Task Force). The Task Force is comprised of the California Department of Insurance (CDI), the Franchise State Tax Board (FTB), and the District Attorney's Offices of EI Dorado County, Nevada County, Yolo County and Sacramento County. We continue to believe the task force model is the best approach to combating high impact cases in the region, which are the main cost drivers to the state's insurance system. While maintaining and facilitating this successful regional approach to the problem of insurance fraud, EI Dorado County also continues to address localized fraud more unique to our county. As such, our one full-time investigator and one part-time investigator balance their time between their Task Force responsibilities and their county obligations.

Over the past fiscal year, we have initiated twenty-four new workers' compensation investigations and filed charges in three new workers' compensation cases. One of the newly filed cases is a felony premium fraud case (**EI Dorado County Case #23CR0324**).

EI Dorado County Case #23CR0324 is a Task Force case handled by both CDI and the EI Dorado County District Attorney's Office. It began as a referral to the insurance carrier's Special Investigation's Unit (SIU) due to an allegation that the suspect was using false insurance documents. An uninsured investigation began, however the joint efforts of CDI and our office led to the discovery that the case was actually a premium fraud case. This matter was recently filed in court and is pending its preliminary hearing.

Another premium fraud case being jointly investigated by CDI and the EI Dorado County District Attorney's Office is **Case Report # 22AW004862**. This matter is being investigated by CDI Detective Brown and EI Dorado County District Attorney Investigator (DAI) Lorey. Here, the employer is claiming his employees are subcontractors and is underreporting payroll to the carrier. CDI Detective Brown and DAI Lorey have completed multiple bank search warrants and have conducted many hours of surveillance to identify employees. Currently, they are drafting a search warrant for physical locations.

DAI Lorey is also investigating **Case Report #22AW015463**, which is another premium fraud case. He has reviewed the policy files and payroll files from EDD. A bank search warrant is currently being drafted.

Over the past fiscal year, the EI Dorado County District Attorney's Office has investigated twenty-one uninsured cases (LC 3700.5). One such case is **Case Report #017-0252345**, being investigated by DAI Lorey. This case was referred to our office by the Contractors State License Board (CSLB) and involves a suspect who has been demanding clients pay 50% down payments and then disappearing before completing the work. On the very few occasions he has completed the work, he uses employees but does not have workers' compensation insurance. DAI Lorey has discovered that this suspect has repeated this crime through the span of six counties, involving at least twenty victims and has stolen over \$40,000.

We have also resolved eight uninsured cases during the last fiscal year. In two of the matters, the Defendants recently stipulated to restitution amounts for the victims. In one matter, **EI Dorado County Case #P21CRM0954** the parties stipulated to a restitution amount of \$1,753.02 and in the other matter, **EI Dorado County Case #22CR0556** the parties stipulated to a restitution amount of \$11,735.

One of the long-term goals that has been repeatedly cited in our RFAs has been our desire to secure "speedily paid" restitution for the victims of insurance fraud. Over the last five years, the court has ordered \$407,451 in restitution. The amount that has been collected (\$559,015) exceeds that order because it accounts for restitution ordered by the court more than five years ago that was collected during the past five years. As an incentive to pay off restitution as soon as possible, we sometimes include a provision in the plea agreement that once restitution is paid in full, a felony charge may be reduced to a misdemeanor and formal probation may convert to informal probation without travel restrictions. This "carrot" has been a successful tool for acquiring timely paid restitution for the victims of insurance fraud.

2. Applicant Question: Task Forces and Agencies

List the governmental agencies and task forces you have worked with to develop potential workers' compensation insurance fraud cases.

Applicant Response:

Employment Development Department
Social Security Administration
Department of Human Services
California Department of Business Oversight
California Public Utilities Commission
Department of Consumer Affairs
Department of Insurance
Federal Bureau of Investigation
Cal Fire
Board of Equalization
Franchise Tax Board
Department of Labor Standards Enforcement
State Compensation Insurance Fund
Department of Health and Human Services – MediCal Fraud Unit
El Dorado County Sheriff’s Department
Placerville Police Department
South Lake Tahoe Police Department
California District Attorneys Association
South Lake Tahoe Business License Department
Placerville Business License Department
El Dorado County Environmental Management
El Dorado County Revenue and Recovery
El Dorado County Child Support Services
El Dorado County Tax Collector
U.S. Department of Housing and Urban Development – Office of Inspector General
California Department of Justice
Yolo County District Attorney’s Office
Placer County District Attorney’s Office
Sacramento County District Attorney’s Office
Nevada County District Attorney’s Office
Napa County District Attorney’s Office
Sutter County District Attorney’s Office
Yuba County District Attorney’s Office
Colusa County District Attorney’s Office
Tax Recovery and Criminal Enforcement “TRACE” Task Force
National Insurance Crime Bureau “NICB” Task Force

OUT OF STATE AGENCIES

Nevada Department of Insurance
Nevada Contractors State Licensing Board
Washoe County District Attorney’s Office

3. Applicant Question: Unfunded Contributions

Specify any unfunded contributions and support (i.e., financial, equipment, personnel, and technology) your

county provided in Fiscal Year 22-23 to the workers' compensation insurance fraud program.

Applicant Response:

Unfunded contributions include El Dorado County District Attorney Vern Pierson's time to promote the Workers' Compensation Insurance Fraud Program. District Attorney Pierson allocates resources conducting outreach within the community whenever possible by promoting the Workers' Compensation Insurance Fraud Unit and Task Force. Additional unfunded contributions include the District Attorney's Office management staff time (Assistant District Attorney and Assistant Chief Investigator) providing supervision to the assigned investigators and attorneys, along with the task of overseeing all grant programs. This additional time includes training, supplying equipment, and providing Information Technology support, which cannot be allocated to any single program.

4. Applicant Question: Personnel Continuity

Detail and explain the turnover or continuity of personnel assigned to your workers' compensation insurance fraud program. Include any rotational policies your county may have.

Applicant Response:

The Workers' Compensation Insurance Fraud Unit of the El Dorado County District Attorney's Office continues under the leadership of District Attorney Vern Pierson. The workers' compensation program operates within the office's Special Prosecution Unit, which is supervised by Assistant District Attorney James Clinchard.

Investigator Ryan Lorey works as the full-time Investigator for the unit. He joined the Workers' Compensation Insurance Fraud Unit in 2019 and will continue as the full-time Investigator in this assignment until his retirement in the near future. To ensure a smooth transition from Investigator Lorey to his successor, the El Dorado County District Attorney's Office is requesting funding for a second full-time Investigator for the Workers' Compensation Insurance Fraud Unit. Funding for a second full-time Investigator will allow Investigator Lorey to fully train the new Investigator and ensure the continuity and stability of the program.

The El Dorado County District Attorney's Office also has Investigator Chris Lindholm working two days per week as a part-time Investigator in the Workers' Compensation Insurance Fraud Unit. He has been investigating workers compensation insurance fraud in El Dorado County since 2011 and has been a part of the Task Force since its inception. Although Investigator Lindholm previously retired, his knowledge and experience are valuable resources, and as such he returned to the office to continue offering investigative assistance to the Task Force and the El Dorado County Workers' Compensation Insurance Fraud Unit.

The El Dorado County District Attorney's Office does not have a rotational policy, however the Deputy District Attorney assignments are generally rotated every two to three years. For continuity purposes and to ensure the integrity of workers' compensation cases and investigations, the office has traditionally made every effort to keep the same Deputy District Attorney (DDA) and DA Investigators (DAI) assigned to the workers' compensation grant.

From July 2021 to February 2023, Deputy District Attorney (DDA) Jodie Jensen was the DDA assigned to the workers' compensation grant for the El Dorado County District Attorney's Office. She also served as the lead attorney for the Task Force during that period. In February 2023, DDA April Flores took over both of these roles from DDA Jensen. For the 23-24 grant year, DDA Flores will remain in these positions.

El Dorado County has further maintained consistency by having Assistant District Attorney James Clinchard, who has supervised the Special Prosecutions Unit since 2012, continue to manage the Workers' Compensation Insurance Fraud Program.

The continuation of the Task Force will also ensure continuity for our investigators and prosecutor. The Task Force allows us to foster consistency in our investigation and prosecution efforts and to have maximum exposure to other agencies ensuring we are exposed to and trained on best practices in the industry and within the various Task Force agencies. This collaborative effort encourages a continued investment by all in the future of an already very productive program, and also facilitates the ability of all involved agencies to investigate bigger and more complex fraud cases.

5. Applicant Question: Frozen Assets Distribution

Were any frozen assets distributed in the current reporting period?

If yes, please describe. Assets may have been frozen in previous years.

Applicant Response:

No

Sub Section Name: Staffing

1. Applicant Question: Staffing List

Complete the chart and list the individuals working the program. Include prosecutor(s), investigator(s), support staff, and any vacant positions to be filled.

All staff listed in your application budget must be included in the chart.

For each person, list the percentage of time dedicated to the program and the start and end dates the individual is in the program. The entry in the "% Time" field must be a whole number, i.e. an employee who dedicates 80% of their time to the program but is only billed 20% to the program, would be entered as "80" in the "% time Dedicated to the Program".

Applicant Response:

Name	Role	Start Date	End Date (leave blank if N/A)	% Time Dedicated to the Program
Ryan Lorey	District Attorney Investigator	07/01/2023		100
Vacant	District Attorney Investigator	07/01/2023		100
April Flores	Deputy District Attorney	07/01/2023		40
Vacant	Sr. Paralegal	07/01/2023		5

Applicant Comment:

Billing towards the program is not limited to the positions and individuals listed above. At times, our office will utilize all available resources as needed to support program objectives. This includes the use of other employed investigators, attorneys, and support staff.

2. Applicant Question: FTE and Position Count

The staff and FTE included in the chart below MUST MATCH the staff and FTE listed in your application budget. Do not include unfunded personnel.

The “# of Positions” field represents people and must be entered in whole numbers. The “FTE” field must be entered as a decimal and represents the Full Time Equivalent (FTE) for all budgeted personnel in that position.

E.g. Two Attorneys who are billed to the program at 80% each would be entered as “2” in the # of Positions field and “1.60” in the FTE field.

Reminder: This chart MUST match your application budget.

Applicant Response:

Salary by Position	# of Positions (whole numbers)	FTE (1.00 = 2080 hours/year)
Supervising Attorneys		
Attorneys	1	.40
Supervising Investigators		
Investigators (Sworn)	2	2.00
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	1	.05
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary by Position, other		
	Total: 4.00	Total: 2.45

3. Applicant Question: Organizational Chart

Upload and attach to this question an Organizational Chart; label it "23-24 WC (county name) Org Chart".

The organizational chart should outline:

- Personnel assigned to the program. Identify their position, title, and placement in the lines of authority to the elected district attorney.

- *The placement of the program staff and their program responsibility.*

Applicant Response:

[FY 23-24 WC El Dorado Org Chart.pdf](#) - PDF FILE

Sub Section Name: Problem Statement & Program Strategy

1. Applicant Question: Problem Statement

Describe the types and magnitude of workers' compensation insurance fraud (e.g., claimant, single/multiple medical/legal provider, premium/employer fraud, insider fraud, insurer fraud) relative to the extent of the problem specific to your county.

Use local data or other evidence to support your description.

Applicant Response:

As the State of California continues to recover from the Covid-19 pandemic and the effects of the lockdowns, so does El Dorado County. Many communities within the County rely heavily on the tourism industry and were greatly impacted by the pandemic. Slowly, our local communities are recovering as more people are again comfortable traveling and the tourism dollars are flowing back into the County's tourism destinations such as Lake Tahoe and the region's wine country. As one would expect, the unemployment rate within the County has improved and as of January 20, 2023 sits at around 2.8%.

An issue that continues to be a problem is the low number of referrals we are receiving from the insurance carriers. The low number of referrals could be linked to the pandemic, years of people being unemployed, and agencies being unable to timely address and process suspected fraud. Unfortunately, unlike other violations of the law, law enforcement officers cannot identify persons committing workers' compensation fraud as they walk and drive down the street. It is ultimately the insurance carriers that have the information and are entrusted with providing Suspected Fraud Complaints (SFCs) to be investigated. Yet, we have only received six SFCs this year: five claimant fraud SFCs and one premium fraud SFC.

Interestingly, in July 2022, the Coalition Against Insurance Fraud published a report stating their research shows 16% of claimant claims are fraudulent. Based on that report, El Dorado County requested and obtained a data report from the National Insurance Crime Bureau (NICB) showing how many claimant claims were filed in El Dorado County between January 1, 2020, and December 31, 2022. The data report we received indicated that in 2020 there were 347 claimant claims, in 2021 there were 496, and in 2022 there were 548 (for a total of 1,391 claimant claims filed during the three-year period). During the same three-year period, El Dorado County only received a total of fifteen SFCs for claimant fraud. Fifteen SFCs account for only 1.08% of the total 1,391 claimant claims. If the Coalition Against Insurance Fraud's research is accurate, El Dorado County should have received approximately 222 claimant fraud SFCs during the three-year period.

Additionally, El Dorado County continues to face unique fraud issues related to its geography and location as a "border county" with Nevada. In the Lake Tahoe Basin, we continue to find that many of the illegal employers working in that region are from the Reno/Carson City area of Nevada. They easily "play" the border by taking advantage of the differences between the two states. Compounding the problem further is a large number of absentee landlords who own vacation rental properties in the Lake Tahoe Basin area. Often, these landlords rely on internet search engines and social media to locate and coordinate maintenance and repairs to their properties. When it is later discovered that the work was substandard or the initial problem was only compounded, the landlord has very little in the way of evidence to assist in the identification of the person(s) they hired to perform the work.

In the Western Slope area of El Dorado County, residential development is booming and continues to be one of the economic flagships of the region. Although these residential developments are typically being planned and built by large, reputable companies, much of the ancillary work after the new homeowners move in (e.g. landscaping, pool installation, interior upgrades, etc..) is being performed by the "lowest bid contractors" who, often, are operating with insufficient or a complete lack of workers' compensation insurance coverage.

Lastly, our investigative resources are being stretched thin with the number of cases we have. El Dorado County currently has nine cases unassigned and not being investigated. Unfortunately, at this time we are unable to follow up on every single investigative lead provided. If our county was awarded additional funding for a second full-time Investigator position, as mentioned in the Personnel Continuity section, we would be in a better position to continue to investigate and prosecute workers' compensation fraud locally in the El Dorado County community, as well as regionally with the Task Force.

2. Applicant Question: Problem Resolution Plan

Explain how your county plans to resolve the problem described in your problem statement. Include improvements in your program.

Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Specify how the district attorney will address the Workers' Compensation insurance fraud problem, defined in the Problem Statement, through the use of program funds.

The discussion should include the steps that will be taken to address the problem, as well as the estimated time frame(s) to achieve program objectives and activities.

The response should describe:

- The manner in which the district attorney will develop his or her caseload;
- The sources for referrals of cases; and
- A description of how the district attorney will coordinate various sectors involved, including employers, insurers, medical and legal providers, CDI, self-insured employers, public agencies such as the Department of Industrial Relations, Employment Development Department, and local law enforcement agencies.

Applicant Response:

El Dorado County is the lead county agency in the Task Force. We remain fully committed to its mission of addressing this regional problem with a multidisciplinary approach. We continue to believe that the Task Force is clearly the best plan and course of action to aggressively and efficiently investigate and prosecute the high impact and complex cases that affect the entire region of El Dorado, Sacramento, Yolo and Nevada counties. Without the Task Force, El Dorado and the other Task Force counties would be unable to simultaneously investigate multiple high impact cases in a timely fashion. Moreover, as the Task Force and its members continue to operate in this collaborative environment, individual members are developing increased expertise and skillsets that complement each other, resulting in quicker and more effective investigative plans and execution of individual tasks.

We also have plans in place to address the relatively low number of SFCs we have received over the last year (only six in total) in regards to claimant claims. We plan to research which carriers hold the majority of the claims in our county and target those entities for outreach first. We will request in-person meetings and provide trainings on how to properly identify and refer all types of suspected fraudulent activity. We will focus on what type of evidence is critical to the prosecution of each type of case, to ensure that the referrals we receive are quality, workable cases. Not only will we reach out to the carriers that hold the majority of the policies in our county, but also to any other carriers in our region. Reaching out to as many entities as possible not only makes each unit stronger in its fight against workers' compensation fraud but builds professional relationships amongst the main organizations in the field as well.

We plan to provide outreach to the absentee landlords of the Tahoe Basin this fiscal year too. Investigators Lorey and Lindholm have a plan to use these rental property's permit information, maintained by the City of South Lake Tahoe, to send information to regarding how to protect themselves from falling victim to out of state, unqualified, and/or illegal construction individuals. We additionally have increased our presence in the Tahoe Basin during the past fiscal year, conducting sting and sweep operations with CSLB. We plan to continue our enforcement efforts in the Tahoe Basin during the upcoming fiscal year.

We will also continue to attend community outreach events. By connecting with the community, including those new to the area who are having ancillary work done to their homes, we are able to provide a resource for them to turn to if they see or hear about workers' compensation fraud. These relationships with the community allow us to obtain more leads and continue the fight against workers' compensation fraud.

Investigators Lorey and Lindholm will continue to monitor those contractors they had previous contact with for noncompliance. Often, these contractors obtain the proper documents to come into compliance, but only keep them in place just long enough to go back to work and then fail to maintain the necessary licenses and insurance.

As always, Investigators Lorey and Lindholm will continue to perform proactive sweeps on the Western Slope with our partnering agencies (CSLB, Division of Labor Standards Enforcement, and the Employment Development Department). This is a great way to find new leads to investigate. Also, making contact and a connection with those entities who are in compliance provides them with a resource to turn to when they see or hear about others engaging in workers' compensation fraud.

3. Applicant Question: Plans to Meet IC and FAC Goals

What are your plans to meet the announced goals of the Insurance Commissioner and the Fraud Assessment Commission?

If these goals are not realistic for your county, please state why they are not, and what goals you can achieve. Include your strategic plan to accomplish these goals. *Copies of the Goals can be found in the Announcement Attachments, 4g and 4h.*

Applicant Response:

JOINT PLAN – El Dorado County is committed to its relationship with the Northern Impact Worker’s Compensation Insurance Fraud Task Force. El Dorado County provides the lead DDA and a full-time investigator to the Task Force. We recognize that in continuing to work together with our allied agencies, we are able to provide a stable program which allows us to most effectively pursue these typically complex investigations.

PROVIDER FRAUD - El Dorado County in conjunction with the Task Force has proven we are more than willing to aggressively pursue provider fraud cases. These investigations and cases would not be possible without the combined manpower and knowledge base of the Task Force. Although El Dorado County does not currently have any provider fraud cases under investigation or being prosecuted, in order to maintain our momentum in the provider fraud field, we will continue to conduct outreach and peer-to-peer training with the California Medical Board Investigators. The Medical Board investigates physicians for issues pertaining to the standard of care. By crosschecking the physicians that the Medical Board alleges are not meeting the minimum standard of care up against the workers' compensation databases, El Dorado County believes we can identify the questionable physicians in our region and then work with the SIUs to generate referrals.

CLAIMANT FRAUD - El Dorado County recognizes that Claimant fraud has a substantial financial impact on the workers' compensation insurance system. That impact is felt greatly here, as El Dorado County is self-insured and one of the largest employers in the county. We will continue to meet with the county's Risk Management Department, as well as the other county departments, to have first-line supervisors and managers understand workers' compensation laws. We will train them on their roles and responsibilities, and how to effectively work with each other and the county's Third Party Administrator to root out employees who are committing Claimant fraud. Additionally, we will take the same approach with local businesses so that they too can be more effective in working with their workers' compensation insurance adjusters.

During the past fiscal year, we have received five claimant fraud referrals and have closed out two claimant fraud cases. We are currently investigating two claimant fraud cases and have eight more pending investigation. We anticipate completing as many of those investigations as possible in the coming year, and if appropriate, will file charges.

PREMIUM FRAUD - El Dorado County also recognizes the financial impact premium fraud has on the workers' compensation insurance system. Of the few referrals El Dorado County has received where it is alleged that premium fraud is the crime; the construction industry is the biggest violator. El Dorado County will continue to vigorously investigate and prosecute those who refuse to conduct themselves fairly and on a level economic playing field. We will continue to conduct outreach to the construction industry associations, building officials, and SIU's in an attempt to generate referrals. We currently have one case filed in El Dorado County for premium fraud (**El Dorado County Case # 23CR0324**), and have two more cases in the investigative stage. (**Case Report #s 22AW015463 and 22AW004862**)

UNINSURED - This is the area El Dorado County has the most control of in rooting out suspected violators. Our investigators frequently drive through various communities within the County and conduct compliance checks. Our entire office staff is also keenly aware of our program and reviews reports submitted by other agencies with potential workers' compensation violations in mind. Approximately 56% of our case load is comprised of uninsured employers. These practices will continue in the 2023-2024 grant year.

In fact, our filed premium fraud case, **El Dorado County Case # 23CR0324**, was initially an uninsured case that, through investigation, it was discovered to also be a premium fraud case.

OUTREACH - The Insurance Commissioner and Fraud Assessment Commission, as well as El Dorado County, believe outreach has a direct, positive impact on crime prevention in workers' compensation fraud. Through this outreach with both state and local agencies and private companies, we are able to educate about workers' compensation rights, trending scams, the negative impact workers' compensation fraud has on the community, and how to recognize and report suspected fraudulent activity. El Dorado County's successful outreach program has resulted in relationships with allied stakeholders, which allows us to highlight successful arrests, prosecutions and convictions. El Dorado County will continue our outreach program to state and local agencies, including SIUs, and private companies both in person and via zoom when necessary.

El Dorado County also has a robust on-line presence and will continue this effort.

Facebook: <https://www.facebook.com/EIDoradoDA>

Twitter: <https://twitter.com/EIDoradoDAOfc>

4. Applicant Question: Multi-Year Goals

What specific goals do you have that require more than a single year to accomplish?

Applicant Response:

El Dorado County currently has two Premium Fraud cases that we believe will require more than a single year to investigate and bring to conclusion. One is Case Report # **22AW004862**. This is a joint case being worked by both CDI and our office. The case involves multiple bank search warrants and voluminous records, with a physical search warrant currently being drafted. We also have **Case Report # 22AW015463**. The policy file and EDD payroll files have been reviewed, and a bank search warrant is currently being drafted.

Other goals we have that will require more than a single year to accomplish, and are ultimately ongoing, are our continuing efforts to identify and investigate Medical Provider Fraud and our continuing efforts to provide informative outreach programs in our community.

5. Applicant Question: Restitution and Fines

Describe the county’s efforts and the district attorney’s plan to obtain restitution and fines imposed by the court to the Workers’ Compensation Fraud Account pursuant to California Insurance Code Section 1872.83(b) (4).

Applicant Response:

DDA Jensen, and now DDA Flores, continue to make efforts to expedite the payment of restitution, including making plea deal offers that incentivize the early payment of restitution. As a result of these efforts, there has been an uptick in the collection of these monies. In addition, our staff monitors the money collected. When defendants are not making payments, our staff mails them reminder letters with information regarding their obligation to pay and the consequences they face if they continue to fail to meet those obligations.

6. Applicant Question: Restitution Numbers

Provide the amount of restitution ordered and collected for the past five fiscal years.

If this information is not available, provide an explanation.

Applicant Response:

Fiscal Year	Restitution Ordered	Restitution Collected
2022-23	\$13,488.00	\$2,226.00
2021-22	\$32,483.00	\$38,930.00
2020-21	\$23,979.00	\$120,470.00
2019-20	\$15,890.00	\$265,612.00
2018-19	\$321,611.00	\$131,777.00
	Total: \$407,451.00	Total: \$559,015.00

7. Applicant Question: Utilization Plan

Your budget provides the amount of funds requested for Fiscal Year 23-24.

Provide a brief narrative description of your utilization plan for the Fiscal Year 23-24 requested funds.

If an increase is being requested, please provide a justification. Any information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

The El Dorado County District Attorney's Office is requesting a total of \$644,024 for the 2023-2024 fiscal year under the Workers' Compensation Fraud (WC) program. The Office plans to fund (2) fulltime Investigators solely dedicated to investigating WC cases. As a notable adjustment to prior year requests, both assigned Investigators will be fulltime positions, rather than one being part-time. The funding request will also support an attorney position at 0.40 FTE, prosecuting applicable WC cases, as well as funding 0.05 FTE of Support Staff, providing legal/clerical assistance towards program objectives.

Operating expenses include various item that are critical in the participation of the WC program such as, budget not limited to, training/travel, software, office supplies, audit services, Fleet maintenance and fuel costs (for grant-funded vehicles only), outreach, etc. The office is not requesting any equipment at this time. However, it is anticipated that carryover funds will be requested to be used to complete the purchase of a vehicle that was initiated in fiscal year 2022-2023, but is not expected to be received in time to be considered billable, due to supply/chain issues. A budget modification will be submitted accordingly to include any approved carryover funds.

The District Attorney's Office was awarded \$453,381 during fiscal year 2022-2023. The \$190,643 increase in funds requested on this application can be primarily attributed to the replacement of the part-time Investigator with a fulltime Investigator position (incurring benefits cost burden) and the slight increase of assignment for the Attorney position, updated from 35% to 40%.

8. Applicant Question: Uninsured Employers

Describe the county's efforts to address the problem of uninsured employers.

Local district attorneys have been authorized to utilize Workers' Compensation Insurance Fraud funds for the investigation and prosecution of an employer's willful failure to secure payment of workers' compensation as of January 2003.

Applicant Response:

EI Dorado County routinely partners with other state agencies that have a vested interest in the assurance that employers are complying with the law and not profiting at the expense of their employees. Through proactive sweeps and stings with our partner agencies, our office contacts businesses and individuals, performs inspections, and takes enforcement action as deemed appropriate. Oftentimes during CSLB sting operations, local law enforcement is also present to assist in the arresting of violators. During the course of the day, our Investigators educate the uniformed officers about this area of the law which the uniformed officers are often unfamiliar with.

We have recently become aware of problems in our county with uninsured moving companies. We, along with the Task Force, have plans that are currently underway to conduct sting operations. The goal of these sting operations is to gain compliance of the moving companies with workers' compensation insurance requirements and reduce the number of uninsured moving companies in the county.

Our Investigators assigned to our workers' compensation program also periodically proactively drive through the areas of our county where residential work is being performed. Our Investigators contact the individuals performing work to ensure they are in compliance with worker's compensation requirements or to take appropriate enforcement action when necessary. Through this effort, our Investigators have established relationships with reputable businesses that oftentimes provide tips regarding competing businesses operating illegally. Our Investigators respond to these tips and take the appropriate enforcement action when necessary.

Additionally, as part of outreach, our office has developed a strong relationship with the county tax collector staff whose responsibility is overseeing business permits. When businesses in the county fail to respond to notifications regarding a business license sent to them by the EI Dorado County Tax Collector, the Tax Collector staff contacts our Investigators who respond, perform inspections, and take enforcement action when applicable.

Another County agency we have regular outreach with is Adult Protective Services (APS). APS frequently comes into contact with vulnerable seniors who are easily taken advantage of. We educate APS about the laws regarding workers' compensation and provide information about what our Investigators and programs can do if or when their clients face such issues.

Sub Section Name: Training and Outreach

1. Applicant Question: Training Received

List the insurance fraud training received by each county staff member in the workers' compensation fraud unit during Fiscal Year 2022-2023.

If it is a multiple day training/conference (e.g. CDAA, AFA, etc.), only one entry is required; enter the first day for the "Training Date" field.

For the "Hours Credit" field, enter the combined total hours of credit for all attendees.

Applicant Response:

Number of Personnel	Training Date	Provider	Location	Topic	Hours Credit (combined total)
1	07/07/2022	NICB	CDI - Sacramento, CA	Fraud	2
2	02/07/2023	CDA	Garden Grove, CA	Fraud Symposium	40
2	03/14/2023	AFA	Online	1st Quarter Training	4
3	04/19/2023	AFA	Monterey, CA	Annual Fraud Conference	60

2. Applicant Question: Training and Outreach Provided

Upload and attach the Training and Outreach Provided form in Excel; label it "23-24 WC (county name) Training and Outreach Provided". Do not include training *received*; **only list training and outreach provided in FY 22-23** as outlined in the outreach definition below.

For the purposes of the insurance fraud grant programs, "outreach" is defined as:

Any activity undertaken by a grant awardee to inform and educate the public on the nature and consequences of insurance fraud and the training and sharing of best practices with industry stakeholders and allied law enforcement agencies. The results will be crime prevention, the generation of quality referrals from the public, business community, insurance industry, and law enforcement, and improved strategies for the investigation and prosecution of insurance fraud.

If, in the form, you listed any "Other, Specify" provide a brief explanation here; other additional comments are optional. The blank form is located in the Announcement Attachments, 1a.

Applicant Response:

Label attachment "23-24 WC (County) Training and Outreach"

Attachment:

[23-24 WC El Dorado County Training and Outreach.xlsx](#) - EXCEL DOCUMENT

Applicant Comment:

The Workers' Compensation Fraud Unit staffed a booth at the El Dorado County Fair for the entire four-day event. We additionally staffed a booth at the annual Cops and Rodders car show in Cameron Park. We estimate our investigators and attorneys spoke with approximately 600 people between these two events. The exhibit booths were set up to educate the general public about the pitfalls of hiring unlicensed / uninsured individuals, along with the economic impact workers' compensation insurance fraud has on the economy. Investigators and attorneys used this opportunity to interact with the public, hand out brochures and flyers, and provide information about the workers' compensation fraud unit.

As our DDA's have done in years past, DDA McConney conducted training at the CDI Basic Investigation Course. Training was provided to new CDI detectives on the laws of search and seizure and Miranda rights. This was also an opportunity to network and promote positive relationships between the agency members.

El Dorado County was hit by another fire during this fiscal year, the Mosquito Fire, which started on September 6, 2022. The Mosquito Fire burned in excess of 76,000 acres and destroyed approximately 78 structures. Numerous people were affected by the fire, and over 11,000 people were evacuated from their homes. El Dorado County set up a Local Assistance Center, where investigators staffed a booth to educate the public on unlicensed contractors and insurance fraud.

The El Dorado County District Attorney's Office additionally staffed a booth at a senior event at Marshall Medical Center. The Workers' Compensation Fraud unit used this opportunity to educate members of the public about the pitfalls of hiring unlicensed / uninsured individuals and provide information about our fraud unit.

3. Applicant Question: Future Training and Outreach

Describe what kind of training/outreach you plan to provide in Fiscal Year 23-24.

Applicant Response:

For the upcoming 2023-2024 Fiscal Year, we will continue to meet with insurance companies, SIU’s, and investigators within the counties covered by the task force (El Dorado, Nevada, Sacramento and Yolo). These meetings will consist of education, training, and sharing of information and best practices which will help with our goal of getting new leads and completing thorough investigations involving high impact medical provider and premium fraud.

We will continue to build our relationships with city and county departments to educate them on our fraud program, promote networking, and generate referrals from our local agencies. This will be accomplished through training presentations and in-field meetings with our local departments along with our local law enforcement agency partners.

The El Dorado County Fair in Placerville and the Cops and Rodders Car Show in Cameron Park are two of the events our unit regularly conducts outreach to the general public to promote public awareness about workers’ compensation fraud by using exhibit booths at these events. We use this time to interact with the public, make presentations, hand out brochures, and provide information about workers’ compensation fraud.

We will attend any Anti-Fraud Alliance training and events in the Northern California area, including the Anti-Fraud Conference. This will promote learning, use of best practices, along with continued growth in our network of relationships within the fraud community. We additionally plan to attend appropriate industry meetings and continue to increase our collaboration with insurance carriers’ SIU divisions.

The Workers’ Compensation Fraud Unit, along with the Task Force, will continue to train local and state law enforcement officers about workers’ compensation laws and the usefulness of Labor Code 3711 as it has proven to be successful in the past.

We will continue to make presentations about uncovering claimant, premium and medical provider workers’ compensation fraud by educating the businesses in the region and by educating the other governmental agencies that come in contact with county businesses about the devastating financial impact claimant and provider fraud have on the economy.

Sub Section Name: Joint Plan

1. Applicant Question: Joint Plan

Upload your WC Joint Plan and label it “23-24 WC (county name) Joint Plan”.

Each County is required to develop a Joint Plan with their CDI Regional Office, to be signed and dated by the Regional Office Captain and the Prosecutor in Charge of the Grant Program. Additional information is in the Announcement Attachments, 3c, and also copied into the attached instructions to this question.

Applicant Response:

Confirm signed and dated by all parties.

Attachment:

[23-24 WC El Dorado County Joint Plan.pdf](#) - PDF FILE

Section Name: Investigation Case Reporting

Sub Section Name: Investigation Case Information Relating to Questions

1. Applicant Question: County Plan Confidential Investigation Details

If you discussed any confidential cases throughout the County Plan section and provided a reference number, please include additional confidential details on an attachment uploaded here.

The reference number/citation used in the County Plan narrative responses should be repeated in your document upload. Task Force cases should specifically name the task force and your county personnel's specific involvement / role in the case.

Upload your own attachment and label it "**23-24 WC (county name) County Plan Confidential Investigation Details**" **upload and mark confidential**, then attach to this question. If no investigation information was referenced, mark the N/A response.

Applicant Response:

[23-24 WC El Dorado County Plan Confidential Investigation Details.docx](#) - WORD DOCUMENT

Sub Section Name: Reporting on All Investigations

1. Applicant Question: Investigation Case Activity Report (ICAR)

Upload, mark Confidential, and attach the completed 23-24 WC (county name) ICAR.

This document requires information regarding each investigation case that was reported in the DAR, Section III C (Investigations). Two of the three reporting components ask for case counts only. The total of the case counts in Part 1 and Part 2, along with the number of case entries in Part 3, should equal your total investigation case count reported in the DAR section III (Investigations). The blank form is located in the Announcement Attachments, 1bii. **Do NOT substitute descriptions in Part 3 in lieu of case counts for Part 1 and Part 2.**

Reminders:

1. The total of the case counts in the ICAR Parts 1, 2, and 3, should equal your total investigation case count reported in the DAR Section III.
2. Vertical Prosecutions should not be counted as an Investigation or a Joint Investigation.

Click the "SHOW INSTRUCTIONS" link above to view directions on how to properly complete the report.

Applicant Response:

[23-24 WC El Dorado County Investigation Case Activity Report \(ICAR\).docx](#) - WORD DOCUMENT

Sub Section Name: New Investigation Information for Cases in Court

1. Applicant Question: Cases in Court Investigation Case Activity

Do you have NEW Investigation Information for cases that started the year in prosecution that you want to include? This section is optional.

If you do have cases to report, download Announcement Attachment 1c, label it "**23-24 WC (county name) Cases in Court Investigation Case Activity**" **upload and mark confidential**, then attach to this question.

Provide only investigation information for case(s) that started the fiscal year in prosecution, but required additional investigation during the reporting period. **Other than current status, no prosecution case information should be included.**

Applicant Response:

Yes

Attachment:

[23-24 WC El Dorado County Cases in Court - Investigation Case Activity.docx](#) - WORD DOCUMENT

BUDGET REPORT

Project Name: FY 23-24 WC EI Dorado
Applicant Organization: EI Dorado
Application ID: App-23-147
Requested Amount:
Funding Announcement Name: FY 23-24 Workers' Compensation Insurance Fraud Program



Expand All	Direct	Total
▶ Salary By Position	\$374,463.00	\$374,463.00
Supervising Attorneys		
Attorneys	\$62,805.00	\$62,805.00
Supervising Investigators		
Investigators (Sworn)	\$308,021.00	\$308,021.00
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	\$3,637.00	\$3,637.00
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		

Expand All	Direct	Total
Benefits	\$205,320.00	\$205,320.00
▶ Operating Expenses, General	\$44,281.00	\$44,281.00
Grant Indirect Costs - 10% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)	\$37,446.00	\$37,446.00
Grant Indirect Costs - 5% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)		
Outreach	\$175.00	\$175.00
Audit	\$5,200.00	\$5,200.00
Forensic Accounting Services		
Expert Consultant Fees		
Witness Fees/Litigation Fees		
Undercover Operation Expenses		
Office Supplies	\$500.00	\$500.00
Office Space/Facility Fees		
IT Services		
Communications (phone, etc.)	\$960.00	\$960.00
Membership Dues/Publications		
Operating Expenses, General - other		
▶ Operating Expenses, Detailed	\$13,840.00	\$13,840.00
Insurance (i.e., General Liability, Workers' Comp, etc.; identify in narrative)	\$5,340.00	\$5,340.00
Vehicle Fuel and Maintenance for grant purchased vehicles (identify number of vehicles in narrative)	\$7,540.00	\$7,540.00
Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased vehicles; identify number of vehicles in narrative)		

Expand All	Direct	Total
Vehicle Parking (identify number of vehicles in narrative)		
Software Renewal (identify in narrative)	\$960.00	\$960.00
Software Purchase (identify and provide justification in narrative)		
Minor Equipment as defined in instructions (identify in narrative IF over \$1,000 combined total)		
Equipment Lease/Maintenance (identify in narrative)		
Operating Expenses, Detailed - other		
▶ Operating Expenses, Travel and Training	\$6,120.00	\$6,120.00
Travel - In CA (include costs such as hotel, airfare, and rental car for travel associated with investigation and/or training)	\$5,070.00	\$5,070.00
Travel - Out of CA (identify state and purpose in narrative and include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training)		
Training - In CA (include registration fees)	\$1,050.00	\$1,050.00
Training - Out of CA (identify state and purpose in narrative, and include registration fees)		
Operating Expenses, Travel and Training - other		
▶ Equipment		
Computers (provide justification and % billed to each program in narrative)		
Printers/Scanners (provide justification and % billed to each program in narrative)		
Vehicles (provide justification and % billed to each program in narrative)		
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)		
Equipment - other		
Total	\$644,024.00	\$644,024.00

Budget Justification	Budget Calculations	Budget Narrative
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▶ Salary By Position		
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Supervising Attorneys			
Attorneys	No. of Positions: 1 Total FTE: 0.4	Total Cost: \$62,805.00 Total Requested Amount: \$62,805.00	
Supervising Investigators			
Investigators (Sworn)	No. of Positions: 2 Total FTE: 2	Total Cost: \$308,021.00 Total Requested Amount: \$308,021.00	
Investigators (Non-Sworn)			

Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	No. of Positions: 1 Total FTE: 0.05	Total Cost: \$3,637.00 Total Requested Amount: \$3,637.00
Clerical Staff		

Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		
Benefits		
▶ Operating Expenses, General		

Grant Indirect Costs - 10% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)	
Grant Indirect Costs - 5% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)	
Outreach	
Audit	
Forensic Accounting Services	
Expert Consultant Fees	
Witness Fees/Litigation Fees	
Undercover Operation Expenses	
Office Supplies	
Office Space/Facility Fees	
IT Services	
Communications (phone, etc.)	
Membership Dues/Publications	

Operating Expenses, General - other		
▶ Operating Expenses, Detailed		
Insurance (i.e., General Liability, Workers' Comp, etc.; identify in narrative)		Rate distribution for General Liability insurance cost = \$4,449. Rate distribution for Workers' Comp insurance cost = \$891
Vehicle Fuel and Maintenance for grant purchased vehicles (identify number of vehicles in narrative)		Vehicle maintenance costs for (2) vehicles assigned to (2) Investigators. Anticipated maintenance costs for the year total \$4,000. Fuel costs for (2) Investigators is anticipated to total \$3,540. Vehicles are used for grant related travel as the assigned investigators are 100% dedicated to the WC program.
Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased vehicles; identify number of vehicles in narrative)		
Vehicle Parking (identify number of vehicles in narrative)		

<p>Software Renewal (identify in narrative)</p>		<p>Software expenses for Transunion Criminal Search Database. Average monthly cost is \$80/month.</p>
<p>Software Purchase (identify and provide justification in narrative)</p>		
<p>Minor Equipment as defined in instructions (identify in narrative IF over \$1,000 combined total)</p>		
<p>Equipment Lease/Maintenance (identify in narrative)</p>		
<p>Operating Expenses, Detailed - other</p>		
<p>► Operating Expenses, Travel and Training</p>		

<p>Travel - In CA (include costs such as hotel, airfare, and rental car for travel associated with investigation and/or training)</p>	<p>No. of People: 3 Total Cost: \$5,070.00 Total Requested Amount: \$5,070.00</p>	<p>No of People: 3. (2) Investigators and (1) Attorney are expected to attend the Annual Insurance Fraud Seminar or other TBD program-related training. Estimated Travel Expenses: Meals/Per Diem = \$720 Ground Transportation = \$450 Airfare (est. \$500 per travel) = \$1,500 Lodging (per County Travel Policy & GSA Guidelines) = \$2,400 Note: all travel costs are per the County travel policy and GSA guidelines.</p>
<p>Travel - Out of CA (identify state and purpose in narrative and include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training)</p>		
<p>Training - In CA (include registration fees)</p>	<p>No. of People: 3 Total Cost: \$1,050.00 Total Requested Amount: \$1,050.00</p>	<p>No of People: 3. (2) Investigators and (1) Attorney are expected to attend the Annual Insurance Fraud Seminar or other TBD program-related training. Anticipated registration cost is \$350/person. (3) FTE x \$350/registration = \$1,050</p>
<p>Training - Out of CA (identify state and purpose in narrative, and include registration fees)</p>		
<p>Operating Expenses, Travel and Training - other</p>		

► Equipment		
Computers (provide justification and % billed to each program in narrative)		
Printers/Scanners (provide justification and % billed to each program in narrative)		
Vehicles (provide justification and % billed to each program in narrative)		
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)		
Equipment - other		

CALIFORNIA DEPARTMENT OF INSURANCE FRAUD DIVISION



WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM

FISCAL YEAR 2023-2024

**ADMINISTRATIVE REQUIREMENTS
AFTER AWARD**

**WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM
AFTER AWARD
SUMMARY OF IMPORTANT DEADLINES
FISCAL YEAR 2023-2024**

This table summarizes the Reports/Documents required to comply with Insurance Code Section 1872.83 and California Code of Regulations, Title 10, Section 2698.50, et seq.

Due Date	Report/Document	Comments	Completed
Within 30 days of change	Program Contact changes	County ADMIN-USER should update user information in Grant Management System	<input type="checkbox"/>
As needed	Budget Modification Request(s)	Submit change(s) to original or last approved budget in Grant Management System	<input type="checkbox"/>
With Application or by Jan. 2, 2024	Board of Supervisors Resolution	Upload document in Grant Management System	<input type="checkbox"/>
Thursday, Feb. 1, 2024	Mid-Year Program Report FY 2023-24 Six Month DAR	Submitted online on CDI Website DA Portal	<input type="checkbox"/>
Thursday, Aug. 29, 2024	Annual Program Report FY 2023-24 Year End DAR	Submitted online on CDI Website DA Portal	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Annual Expenditure Report FY 2023-24	Submitted online in Grant Management System CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Audited Unexpended Funds and Carry Over Utilization Request FY 2023-24 into FY 2024-25 <i>A written justification and budget must be submitted if you wish to utilize the requested carry over.</i>	Submitted online in Grant Management System CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Financial Audit Report FY 2023-24 Financial Audit Guidelines are provided as Attachment B in this document.	Submitted as an upload in Grant Management System	<input type="checkbox"/>

**WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM
ADMINISTRATIVE REQUIREMENTS AFTER AWARD
FISCAL YEAR 2023-2024**

When a county's application is selected for funding, the County will be notified of their selection and the amount of the award. The following is a discussion of the county's administrative requirements after award.

The grant period will begin on July 1, 2023, and end on June 30, 2024.

A. ACCOUNTING SYSTEM

The County will maintain an accounting system for grant expenditures that conforms to generally accepted accounting principles and practices and allows CDI to determine whether the county district attorney's office spent its grant funds for the purposes of the applicable insurance fraud program.

Accounting systems include such practices as:

- Ensure adequate separation of duties
- Use fiscal policies and procedures that ensure grant expenditures comply with statute, regulation and guidelines set herein
- Maintain evidence of receipts of grant revenue received from CDI
- Maintain source documentation to support claimed expenditures (invoices, receipts, travel expense claims, detailed time keeping records that demonstrate time spent on eligible program activities, etc.)
- Include account reconciliations
- Maintain all other records necessary to verify account transactions
- Maintain documentation to confirm interest income earned from program funds was used to further local program purposes.

The California State Controller's Office (SCO), in its Accounting Standards and Procedures for Counties manual (Government Code Section 30200 and California Code of Regulations, Title 2, Division 2, Chapter 2), also specifies minimal required accounting practices for counties. Counties may download a copy of this manual at the SCO website <http://www.sco.ca.gov>.

NOTE: Support of Salaries and Wages, Attachment A, which sets forth the documentation standards for grant funded employees, is provided at the end of this document.

B. FUNDING CYCLE AND GRANT LIQUIDATION PERIOD

The program period will begin on July 1, 2023 and end on June 30, 2024. Counties responding to this funding announcement must budget funds for 12 months.

There shall be a grant liquidation period of ninety (90) days following the termination of the program period for costs incurred but not paid. Payment may be made and deducted from the program budget during this period.

C. PROGRAM CONTACT UPDATE(S)

Program Contacts should be updated within 30 days of the change by the County's ADMIN-USER in the Grant Management System.

D. BUDGET MODIFICATION REQUEST(S)

A budget modification is required if the grant award amount is different than the amount requested in the application. Additional Budget Modification Requests may be submitted for approval in the Grant Management System as needed.

Additional budget modifications to the original or last approved budget are allowable as long as they do not change the grant award amount. Items needing CDI approval include:

- Budget modifications across budget categories (i.e., personnel services, operating expenses, and equipment)
- Indirect Costs/Administrative Overhead/Methodology Change
- Equipment Purchases.

E. RESOLUTION

If the Resolution cannot be submitted with the application, it must be submitted in the Grant Management System by **January 2, 2024**.

A Resolution from the Board of Supervisors (BOS) authorizing the applicant to enter into a Grant Award Agreement with CDI is required. A Resolution for the new grant period must be submitted in the Grant Management System to receive funding for the 2023-2024 fiscal year.

The Resolution must designate the official authorized by title to sign the Grant Award Agreement for the applicant. The Resolution must include a statement accepting liability for the local program. A sample BOS Resolution is included in the Program's Funding Announcement in the Grant Management System under Attachments.

F. GRANT AWARD AGREEMENT

CDI will provide the County with a Grant Award Agreement (GAA) for signature by the authorized official. This document will be submitted in the Grant Management System.

By signing the GAA the county agrees to participate in the CDI Workers' Compensation Insurance Fraud Program and the district attorney assumes the responsibility for the proper utilization, accounting, and safeguarding of the program funds.

NOTE: Grant funds will not be distributed to the county until CDI has received the Resolution and the Grant Award Agreement is fully executed.

G. DISTRICT ATTORNEY MID-YEAR PROGRAM REPORT

The Mid-Year Program Report is due **by February 1, 2024**. For the 2023-2024 fiscal year, the Mid-Year Program Report will continue to be submitted on the CDI Website DA Portal.

Insurance Code Section 1872.83 requires CDI to submit a biannual information request to those district attorneys who have applied for and received funding through the annual assessment process. District attorneys shall provide the information required to produce the Mid-Year Program Report, which is the first collection of the biannual statistical information.

The Program Report should include:

- The number of investigations initiated related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of arrests or civil suits filed related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of prosecutions or civil suits filed related to workers' compensation insurance fraud;
- The number of convictions or civil awards related to workers' compensation insurance fraud, with the number of defendants, trials, pleas and/or settlements indicated, and names of all convicted fraud perpetrators;
- The dollar savings realized as a result of workers' compensation insurance fraud case prosecutions, as evidenced by fines and penalty assessments ordered and collected, and restitution ordered and collected, with the number of defendants indicated;
- The number of warrants issued; and
- A summary of activity with respect to pursuing a reduction of workers' compensation fraud in coordination with the following:
 - a) Fraud Division
 - b) Insurance companies

- c) Employers, as defined in Section 3300 of the Labor Code, who are self-insured for workers' compensation and doing business in the State.
- d) Other public agencies such as Department of Industrial Relations, Employment Development Department, etc.

H. DISTRICT ATTORNEY ANNUAL REPORT

Each district attorney receiving annual funds pursuant to Section 1872.83 of the California Insurance Code shall submit an annual report to the Insurance Commissioner on the local program and its accomplishments. The Annual Report includes two documents--statistical and financial. These documents are referred to as the Program Report and the Expenditure Report and discussed below.

These documents shall be submitted at the close of the regular grant period and within the deadlines specified below. Failure to submit the annual report shall affect subsequent funding decisions.

ANNUAL PROGRAM REPORT

The Annual Program Report is due **by August 29, 2024**. For the 2023-2024 fiscal year, the Annual Program Report will continue to be submitted on the CDI Website DA Portal.

The Annual Program Report is the second collection of the annual statistical information required in Section 1872.83 of the California Insurance Code. California Code of Regulations, Title 10, Section 2698.59, further specifies that Annual Program Reports must be submitted no later than two (2) months after the close of the program period.

The Program Report should include:

- The number of investigations initiated related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of arrests or civil suits filed related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of prosecutions or civil suits filed related to workers' compensation insurance fraud;
- The number of convictions or civil awards related to workers' compensation insurance fraud, with the number of defendants, trials, pleas and/or settlements indicated, and names of all convicted fraud perpetrators;
- The dollar savings realized as a result of workers' compensation insurance fraud case prosecutions, as evidenced by fines and penalty assessments ordered and collected, and restitution ordered and collected, with the number of defendants indicated;
- The number of warrants issued; and
- A summary of activity with respect to pursuing a reduction of workers' compensation fraud in coordination with the following:

- a. Fraud Division
- b. Insurance companies
- c. Employers, as defined in Section 3300 of the Labor Code, who are self-insured for workers' compensation and doing business in the State.
- d. Other public agencies such as the Department of Industrial Relations, Employment Development Department, etc.

ANNUAL EXPENDITURE REPORT

The Annual Expenditure Report is due **by October 31, 2024**. CDI will provide submittal instructions at a later time.

California Code of Regulations, Title 10, Section 2698.59, specifies that the Annual Expenditure Report must be submitted to the CDI no later than four (4) months after the close of the program period.

If an organization-wide audit will delay the submission of the Expenditure Report, a county may request an extension of time. The extension request should be submitted to the Program Analyst for approval and clearly explain the need and planned submittal date.

The Expenditure Report is **prepared by the county** and should include:

- Personnel expenses: with a breakdown between total salaries and total benefits;
- Operating expenses: with totals per line item;
- Equipment: with totals per line item.

The report should reflect all actual allowable expenditures, including unbudgeted expenditures as well as expenditures in excess of the budgeted amount. The report should also include an explanation of any significant variances from the district attorney's most recently approved budget plan.

I. AUDITED UNEXPENDED FUNDS AND CARRYOVER UTILIZATION REQUEST

The Audited Unexpended Funds and Carry Over Utilization Request form is due **October 31, 2024**. CDI will provide submittal instructions at a later time.

Section 2698.53(c) of the California Code of Regulations, Title 10, stipulates that any portion of distributed funds not used at the termination of each program period shall be returned to the Insurance Fraud Account to be reapportioned for use in the subsequent program year. Counties shall provide CDI with an estimate of unused funds within sixty (60) days after the termination of the grant period.

However, Section 2698.53(d) states that a district attorney who has undertaken investigations and/or prosecutions that will carry over into the following program year may

carry over the distributed but unused funds. That district attorney must (1) specify and justify in writing to CDI how the funds will be used at the end of the program period and (2) submit a modified budget showing how the funds will be used in the subsequent application period. **If the carry over exceeds 25%**, the justification must also include an explanation of the extenuating circumstances resulting in the carry over.

J. FINANCIAL AUDIT REPORT

The Financial Audit Report is due **by October 31, 2024** and will be submitted as an upload in the Grant Management System.

California Code of Regulations, Title 10, Section 2698.59 requires each district attorney receiving funds to submit a Financial Audit Report. The Financial Audit Report must be submitted to the CDI no later than four (4) months after the close of the program period.

If an organization-wide audit will delay the submission of the Financial Audit Report, a county may request an extension of time. The extension request should be submitted to the Program Analyst for approval and clearly explain the need and planned submittal date.

The Financial Audit Report is to be prepared by either an independent auditor who is a qualified state or local government auditor, an independent public accountant licensed by the State of California, or the County Auditor/Controller.

The county may include the cost of the Financial Audit in their budget as a line-item in Operating Expenses.

The audit report shall

- Certify whether expenditures were made for the purposes of the program. (CIC Section 1872.83 and CCR, Title 10 Section 2698.50 et. seq.)
- Indicate that the auditor shall use county policies and procedures as the standard for verifying the appropriateness of personnel and support costs.
- Separately show revenues and expenditures for the local program.

NOTE: **Grant Financial Audit Guidelines, Attachment B**, which sets forth the standards for audit preparation, is provided at the end of this document.

K. AUDITS BY CDI

Sections 2698.59(f), 2698.67(g)(h), 2698.77(e)(f), and 2698.98.1(g)(h) of the California Code of Regulations authorizes CDI to perform audits or reviews of the Insurance Fraud Grant Programs that it administers. To maximize the effectiveness and efficiency of these audits or reviews, and to minimize the disruption to the county's operation, CDI will usually conduct the audits or reviews of the Workers' Compensation Insurance Fraud, Automobile Insurance Fraud, Organized Automobile Fraud Activity Interdiction, Disability

and Healthcare Insurance Fraud, and Life and Annuity Consumer Protection Programs at the same time.

The principle objective of the CDI audit or review is to evaluate whether the county district attorney's office spent its grant funds for the purposes of the applicable insurance fraud program and that the county complied with applicable laws, regulations, and program administrative requirements. Additionally, CDI may perform such additional audits or reviews of any local program as CDI may deem necessary and shall have access to all reports, working papers, correspondence, or other documents, including audit reports and audit working papers related to the audit report or local program.

The CDI Fraud Grant Audit Program (FGAP) is the unit that will perform the audits. FGAP is part of the CDI Enforcement Branch Headquarters, Support and Compliance Section. The Support and Compliance Chief reports directly to the Enforcement Branch Deputy Commissioner.

FGAP audit procedures typically will include, but are not limited to, the following:

- Determine that the revenue, expenditures and approved prior year carry over are an accurate reflection of the information contained in the county fiscal records for the applicable program;
- Compare the results of the independent financial audit to the expenditure report and approved budget;
- Determine that personnel time charged to the program is limited to personnel funded by the grant, that the time is spent on program investigative and prosecutorial activities, and is properly supported by detailed time keeping records;
- Determine that operating and equipment expenditures (non-salary and benefit expenditures) charged to the program were used for program activities;
- Determine that equipment expenditures charged to the program are only for items specifically approved by CDI in the county's program budget;
- Determine that any equipment purchased by the grant is in the custody and use of the personnel funded by the grant;
- Verify that the number of investigations, arrests, prosecutions, convictions, and outreach events reported in the program report is accurately stated and supported by source documents.
- Determine if prior audit findings were resolved.

L. RESTITUTION

Section 1872.83(b)(4) of the California Insurance Code specifies that the amount collected, together with the fines collected for violations of the unlawful acts specified in Sections 1871.4, 11760, and 11880, Section 3700.5 of the Labor Code, and Section 549 of the Penal Code, shall be deposited in the Workers' Compensation Fraud Account in the Insurance Fund. The statute further specifies in Subsection (j) that "any funds resulting from assessments, fees, penalties, fines, restitution, or recovery of costs of

investigation and prosecution deposited in the Insurance Fund shall not be deemed “unexpended” funds for any purpose.

Restitution should be submitted to CDI for deposit into the Workers’ Compensation Fraud Account.

NOTE: Instructions for Submitting Restitution Payments to CDI, Attachment C, is provided at the end of this document.

ATTACHMENT A: SUPPORT OF SALARIES AND WAGES

WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM SUPPORT OF SALARIES AND WAGES FISCAL YEAR 2023-2024

(1) **Documented Payrolls-** Charges to CDI grant awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the county and approved by a responsible official(s) of the county.

(2) **Employees 100% Funded by a Single CDI Grant-** For employees that are listed in the Grant Agreement and Application as 100% funded by a single CDI grant award, charges for their salaries and wages shall be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee and supervisory official having first-hand knowledge of the work performed by the employee (**See Exhibit A**). The documentation requirements for employees that are partially funded by a single CDI Grant (**Section 3**) can also be used for employees that are 100% funded by a single CDI Grant.

Should a 100% funded employee not work 100% of their time in that program in a given month, that employee shall account for their time in the same manner as an employee that is partially funded by a single CDI Grant Award (**Section 3-Employees Partially Funded by a Single CDI Grant**). The periodic certification shall also be adjusted to reflect any month(s) where the employee did not work 100% of their time on a single grant award.

(3) **Employees Partially Funded by a Single or Multiple CDI Grant(s)-** Where employees work on multiple CDI grant awards or are partially funded by a CDI grant award, a distribution of their salaries or wages will be supported by Personnel Activity Reports (PAR)/Timesheets which meet the standards below:

- (a) They must reflect an after-the-fact distribution of the actual daily activity of each employee.
- (b) They must account for the total activity, for which the employee is compensated each day.
- (c) They must be prepared at least monthly and must coincide with one or more pay periods.
- (d) They must be signed by the employee and the employee's supervisor.

- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to CDI grant awards but may be used for interim accounting purposes.
- (f) The monthly salary/benefit allocation to the grant program(s) will be determined at the end of each month based on a percentage allocation of the employee's total time worked. This would include any hours worked beyond an employee's regular work hours. For example, an employee's regular work hours for the month is 160 hours but they work 200 hours. The employee is exempt from overtime. The employee works 115 hours on the auto grant program and 85 hours on the workers' compensation grant program. The allocation of the employee's salary/benefit cost for the month would be 58% to auto ($115/200 = 58\%$) and 42% to workers' compensation ($85/200 = 42\%$).

PAR/Timesheet Example

This example illustrates the minimum acceptable information to be included on DA PAR/timesheets. The data elements follow:

1. Date
2. Hours
3. Grant Program (Workers' Compensation, Auto, Organized Auto, Disability & Healthcare, Life & Annuity).

Date	Hours	Grant Program / Other
10/1/19	7	W Comp
10/1/19	1	Non-grant
10/2/19	4	W Comp
10/2/19	4	Auto

SEE EXHIBIT B FOR ADDITIONAL ACCEPTABLE PAR/TIMESHEET FORMATS.

Other Acceptable PAR/Timesheet Formats

DAs may elect to document additional information in their timekeeping systems should they have internal program management needs for this information. A few examples of acceptable formats are shown below:

Option A

Date	Hours	Grant Program	Description of Work Performed
10/1/19	7	W Comp	Review status of pending cases, Case 2019-WC-034, W Comp outreach fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant
10/2/19	4	W Comp	Prepare Program Report
10/2/19	4	Auto	Prepare Program Report

Option B

Date	Hours	Grant Program	Description of Work Performed
10/1/19	2	W Comp	Review status of pending cases
10/1/19	3	W Comp	Case 2019-WC-034
10/1/19	2	W Comp	W Comp fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant
10/2/19	4	W Comp	Prepare Program Report
10/2/19	4	Auto	Prepare Program Report

Option C

Date	Hours	Grant Program	Activity Type	Description
10/1/19	2	W Comp	Program Mgmt.	Review status of pending cases
10/1/19	3	W Comp	Case	Case 2019-WC-034
10/1/19	2	W Comp	Outreach	W Comp fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant	Non-grant
10/2/19	4	W Comp	Program Admin	Prepare Annual Program Report
10/2/19	4	Auto	Program Admin	Prepare Annual Program Report

Exhibit B- Monthly Personal Activity Reports
(PAR)/Timesheet- Employees that are not 100% Funded from
One Grant

Personnel Activity Report (PAR)															
Office of: _____								For the Month of: _____							
Employee: _____								Year: _____							
PIN #: _____															
Supervisor: _____															
PROGRAM or ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Leave Time															
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
hours reported															
Employee signature _____								Date _____							
Immediate Supervisor signature _____								Date _____							

Sample Personnel Activity Report



Personnel Activity Report

Employee Name:

Employee ID:

Grant Manager:

Pay Period End Date:

Fairbanks North Star Borough School District
Accounting Services Department
520 5th Avenue
Fairbanks, AK 99701

Cost Center	Week One:							Week Two:							Total Hrs
	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	
Holidays and Annual, Personal, or Sick Leave * ---->				8.00				2.00							10.00
General Fund Cost Center: <input type="text" value="97021"/>	3.00	4.00	3.00		3.50			3.00	3.00	4.00	3.50	3.00			30.00
CC 8303-Title IA, Basic Program	5.00	5.00	5.00		5.00			3.00	5.00	5.00	5.00	5.00	2.00		45.00
Totals	8.00	9.00	8.00	8.00	8.50			8.00	8.00	9.00	8.50	8.00	2.00		85.00

* Charge professional and administrative leave to individual cost center based on purpose of leave.

I certify that this is an after-the-fact determination of my actual activity for the above pay period.

Employee Signature:

Date:

Authorized By: (Supervisor or Grant Manager)

Date:

ATTACHMENT B: FINANCIAL AUDIT GUIDELINES

WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM FINANCIAL AUDIT GUIDELINES FISCAL YEAR 2023-2024

The financial audit of the district attorney's office participation in CDI's Workers' Compensation Insurance Fraud Program must be conducted using generally accepted auditing standards and the most recent Government Auditing Standards (GAS) and related guidance published by the Comptroller General of the United States. The audit must include an examination of the internal control structures of the district attorney's office as it applies to this program. The audit report must certify whether local expenditures were made for the purposes of the program as specified in the Insurance Code. Additionally, the report must include a schedule of operating expenses and equipment.

The following are specific, minimum areas of examination that are applicable for conducting an audit of the Workers' Compensation Insurance Fraud Program. These guidelines are not intended to be all-inclusive but, rather, specific areas to be examined during the performance of the audit of this program.

1. Verify the appropriateness of personnel and support costs, including equipment purchases, using the county's policies and procedures as the standard for verification. Note any conflicts with program requirements and potential disallowed expenses.
2. Determine the approved budget for the audited grant period by line item within each budget category. Examine district attorney's office records, the grant applications, grant amendments and augmentations, CDI grant award letter(s) and, if any, CDI approved prior year carry over. Compare the approved budget to the year-end Expenditure Report. Note any exceptions.
3. Determine that the Expenditure Report is an accurate reflection of information contained in the County Auditor/Controller's records for this program. Note any differences between the two.
4. Determine that grant revenues from CDI for the grant period are included in the Financial Report even if they were deposited by the county after the end of the grant period (i.e., treats grant revenues from CDI on an accrual basis).
5. Ensure that the Audit Report reflects the correct amount of grant revenues received for the grant period and, if applicable, the correct amount of prior year carry over. Note any differences between the calculated carry over found as a result of the audit and the amount approved by CDI.

6. Determine that personnel time charged to the program was expended only for the purpose of enhancing investigations and prosecutions of workers' compensation insurance fraud.
7. Determine that personnel expenses charged to the program are limited to personnel funded by the grant.
8. Determine that direct charges to the program are not also included in indirect costs (i.e., space charges) charged to the program.
9. Determine that equipment purchases made with grant funds are only for items specifically approved by CDI in the applicant's budget.
10. Determine that no vehicle purchases have been charged against this program without specific written approval by CDI.
11. Determine that equipment purchased by the grant is in the custody and use of the personnel funded by the grant.
12. Compare the results of the audited expenses to the end-of-the-year Expenditure Report and note any exceptions, particularly variances between audited expenditure, claimed and budgeted line items within each category.
13. Identify non-compliance with applicable statute, regulation, county policy or grant application requirements, and any questionable or disallowed grant amounts received for the grant period.

ATTACHMENT C: SUBMITTING RESTITUTION

**INSTRUCTIONS AND ADDRESS FOR COUNTY TO
SUBMIT RESTITUTION, FINES, AND PENALTIES
COLLECTED PURSUANT TO CIC § 1872.83(B)(4)
FISCAL YEAR 2023-2024**

**County Should Mail Restitution, Fine, and Penalty
Payments to:**

California Department of Insurance
Accounting - Cashiering Unit
300 Capitol Mall, 14th Floor
Sacramento, CA 95814

Payable to: California Department of Insurance

Acceptable forms of payment:

- Money Order
- Cashier Check
- County Check

Cover letter or stub should include:

- Defendant's Name
- County Name
- County Case Number
- Program: Workers' Comp
- Type of payment (such as 3700.5 fines, restitution, etc.)

If you have any questions, please contact the CDI Local Assistance Unit at LAU@insurance.ca.gov.

NOTE: The county is responsible for tracking collections.