



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

July 9, 2024

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 2024-25**

Dear District Attorney Pierson,

I am very pleased to report that, for Fiscal Year 2024-25, a total of \$52,479,138 is available in Workers' Compensation Insurance Fraud Program grant funds to be distributed to 33 District Attorney Offices representing 43 counties, of which **El Dorado** County has been awarded a total of **\$549,185** for this important program. The available funds are comprised of \$47,098,665 in Aggregate Assessment base funds, and an additional amount of \$5,380,473 from FY 2022-23 unexpended county funds. Your County's total award is comprised of \$500,652 base award and \$48,533 additional award. 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 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,

RICARDO LARA
Insurance Commissioner

cc: James Clinchard, Assistant District Attorney

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Application Report



Applicant Organization:

El Dorado

Project Name:

FY 24-25 WC El Dorado

Application ID:

App-24-264

Funding Announcement:

FY 24-25 Workers' Compensation Insurance Fraud Program

Requested Amount:

\$626,511.00

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 22-23 Audited Unexpended Funds

Excluding interest, what was the amount of your FY 22-23 Audited Unexpended Funds? If none, enter "0".

Applicant Response:

\$125,491.00

3. Applicant Question: FY 22-23 Audited Unexpended Funds Percentage of FY 22-23 Award

Your FY 22-23 Audited Unexpended Funds are what percentage of your FY 22-23 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 22-23 Total Award: \$100,000

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

FY 22-23 Audited Unexpended Funds Percentage: 24%

Applicant Response:

28.00%

4. Applicant Question: Contact Updates

Has your county's Admin User updated the Contacts and Users for your Program?

- **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 and your Elected District Attorney. Your Program Contacts must be entered as a User and your Elected District Attorney may be a Contact or User in GMS. Contact your county's Admin User if an individual needs to be added or updated.

On the final submission page, you will link your Program Contacts 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 person is usually a Standard User.

Elected District Attorney is your county's elected official. This person must be entered as a Contact or a User.

Applicant Response:

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

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

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 2024-2025 Fiscal Year. If the resolution cannot be submitted with the application, it must be uploaded no later than January 2, 2025. 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. Must be a direct email address; No generic/group email address allowed. 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:

[24-25 WC Designated Authority Delegation 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 22-23 and 23-24 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 its involvement in the Northern Impact Workers' Compensation Insurance Fraud Task Force (Task Force), comprised of the California Department of Insurance (CDI), the District Attorney's Offices of EI Dorado County, Nevada County, Sacramento County, Yolo County, along with the Franchise State Tax Board (FTB). We believe the task force model is the best approach to the investigation of high impact cases in the region. Additionally, EI Dorado County investigates fraud cases found locally. Our one full-time investigator and one part-time investigator balance their time between the Task Force and county responsibilities.

Over the past fiscal year, we have opened 37 new workers' compensation fraud investigations and have filed charges in 8 new workers' compensation cases. This brings our total investigations for the 2023-2024 fiscal year to fifty (50). Of those fifty (50) investigations, 32% are claimant (16 cases), 8% are premium fraud (4 cases), 2% are provider fraud (1 case), 56% are uninsured (28 cases), and we have one probation violation case.

We anticipate the filing of charges in the recently submitted Task Force premium fraud case investigated by CDI Detective Brown and EI Dorado County District Attorney Investigator (DAI) Lorey (CDI Case Report #22AW004862). In this very complex case, over \$3 million in payroll was unreported to both the worker's compensation carrier and to the Employment Development Department (EDD). After interviewing over twenty witnesses, it was discovered that the business owner was routinely taking large deposits from clients (totaling just under \$100,000) and failing to complete the work, oftentimes completely ignoring the clients' attempts to communicate with him.

Another successful task force case this past fiscal year was the conviction of Alexis Avalos-Reyes DBA Sierra Mountain Tree Service (EI Dorado County Case #23CR0324). This complex case involved a referral from the carrier's Special Investigation Unit (SIU) due to an allegation of falsified insurance documents. An uninsured investigation began, which led to the discovery of premium fraud. As part of the task force, FTB investigated potential payroll tax evasion as well. This case resulted in a plea to charges of premium fraud, payroll tax evasion and uninsured, with restitution ordered in the amount of \$70,214 in total to the State Compensation Insurance Fund and the Franchise Tax Board.

During this fiscal year, EI Dorado County has opened 27 uninsured case investigations. Many of these cases involve additional felony charges including grand theft and diversion of construction funds. An example this fiscal year was the case involving David Elkan DBA Newcastle Screen Co. (Placer County Case #62-190263). This case was a referral from the Contractors State License Board (CSLB) and involved the defendant demanding clients pay 50% downpayments and then disappearing without providing the product or services. On the few occasions he did actually perform work, he used employee labor without having workers' compensation insurance. This case involved 20 victims spanning five counties. Due to the majority of these victims residing in Placer County, EI Dorado County Deputy District Attorney (DDA) Flores was sworn-in in Placer County and cross-designated to prosecute the case there. The case resulted in a plea to charges of uninsured and felony diversion of construction funds. Restitution was ordered to the many victims in the amount of \$27,754, total.

Another example of an uninsured case we are prosecuting this fiscal year is one recently filed involving Dennis Coughlin DBA Dennis Coughlin LLC (EI Dorado County Case #23CR2454), investigated by EI Dorado County DAI Lorey and DAI Brown. This case involves an unlicensed contractor requesting large deposits who also used employee labor without workers' compensation insurance. The charges filed include being uninsured as well as a felony charge for diversion of construction funds. The total loss to the victim was over \$400,000.

One of the long-term goals repeatedly cited in our grant applications has been our desire to secure "speedily paid" restitution for victims of insurance fraud. Over the last five years, the Court has ordered \$187,825 in restitution. The amount collected (\$442,263) 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, the DA's Office will not object to a reduction to a misdemeanor and formal probation converted to informal probation without travel restrictions. This has been a successful tool for acquiring timely payment of restitution. In cases where the defendant fails to pay the ordered restitution, DDA Flores has filed a violation of probation motion to further enforce the restitution order. A recent example of this involves unlicensed / uninsured contractor Darren Stermer (EI Dorado County Case #P21CRM0954). After he pled and the court ordered restitution, the defendant did not comply with his payment plan. After DDA Flores filed the violation of probation, the defendant appeared in court with a check for full restitution of \$1,753.

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
Douglas 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 23-24 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 to conduct 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.

Additional unfunded contributions include the El Dorado County victim/witness advocates, who communicate regularly with victims and witnesses on our fraud cases, work to keep them updated, attend court proceedings, and collect updated restitution information. Some of these cases are complex and involve numerous victims, such as in the case involving David Elkan DBA Newcastle Screen Co, (Placer County Case #62-190263), which included approximately 20 victims spanning five counties.

4. Applicant Question: Personnel Continuity

Explain what your county is doing to achieve and preserve workers' compensation fraud institutional knowledge in your grant program. Also 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 remains under the leadership of District Attorney Vern Pierson, who continues his strong and proven commitment to protect consumers and combat insurance fraud. The workers' compensation program operates within the office's Special Prosecution Unit, which has been supervised by Assistant District Attorney James Clinchard since 2012.

DAI Ryan Lorey has worked as the full-time Investigator for the unit since 2019. DAI Lorey will continue with this assignment until his retirement in the near future. To ensure a smooth transition from DAI Lorey to his successor, the El Dorado County District Attorney's Office has started a recruitment to ensure the replacement is the best possible fit for the Workers' Compensation Insurance Fraud Unit.

Additionally, the El Dorado County District Attorney's Office continues to employ DAI Chris Lindholm as the part-time Investigator working two days per week in the Workers' Compensation Insurance Fraud Unit. DAI Lindholm 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. DAI Lindholm's knowledge and experience are valuable resources, and he looks forward to the opportunity to train and mentor DAI Lorey's replacement.

Although the El Dorado County District Attorney's Office does not have a specific rotational policy, 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 DDAs, as well as DAIs, assigned to the workers' compensation fraud grant.

DDA April Flores has been assigned to the workers' compensation fraud grant since February of 2023. DDA Flores will remain in this position for the 2024-2025 grant year and will continue to grow and make progress investigating and prosecuting complex provider, complainant, and premium fraud cases. Additionally, DDA Doug Fransham, who previously assisted with El Dorado County workers' compensation fraud cases, will be assigned to continue this role during the 2024-2025 grant year.

The continuation of the Task Force will also ensure continuity for our investigators and prosecutors. The Task Force allows us to foster consistency in our investigation and prosecution efforts. It also allows us to have maximum exposure to other agencies, ensuring we observe and are trained on the best practices of the various Task Force agencies and within the industry as a whole. 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 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
Chris Lindholm	District Attorney Investigator	07/01/2023		100
April Flores	Deputy District Attorney	07/01/2023		100
Victoria McMahon	Senior 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	1.00
Supervising Investigators		
Investigators (Sworn)	2	1.46
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: 2.51

3. Applicant Question: Organizational Chart

Upload and attach to this question an Organizational Chart; label it "24-25 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:

[24-25 WC El Dorado County 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:

The current population of El Dorado County is approximately 192,215. The County is topographically divided into two zones. The County's western boundary contains part of Folsom Lake, and the eastern boundary is the California-Nevada state line. El Dorado County's unemployment rate currently sits at 5%, which has increased by approximately 1.5% since 2022.

A continuing problem in El Dorado County is the low number of Suspected Fraud Complaints (SFCs) we receive from insurance carriers. CDI's SFC statistics reflect that El Dorado County received 11 SFCs during the 2023 calendar year. However, two of the SFCs were created by an El Dorado County District Attorney Investigator (sometimes, District Attorney investigators request a case be entered into CDI's database to create a SFC so that CDI's resources can be utilized during that investigation, such as working a joint investigation or task force case). Additionally, CDI had marked one of the SFCs for El Dorado County however it actually belonged to another county. Another one of the SFCs was initiated by a citizen and was only sent to CDI.

For fiscal year 2023-2024, El Dorado County has only received eight SFCs: six claimant fraud SFCs, one premium fraud SFC, and one provider fraud SFC. It is possible this is a continuing result of the pandemic where people were unemployed for years and agencies were 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 referring SFCs to be investigated. This fiscal year, El Dorado County has not received any insider fraud or insurer fraud referrals.

Interestingly, regarding claimant claims, almost two years ago the Coalition Against Insurance Fraud published their research showing that 16% of claimant claims are fraudulent. Last year, based on that report, El Dorado County requested data from the National Insurance Crime Bureau (NICB) reflecting how many claimant claims were filed in El Dorado County between January 1, 2020, and December 31, 2022. The data report indicated that in El Dorado County during that three-year period there were a total of 1,391 claimant claims filed (347 claimant claims in 2020, 496 in 2021, and 548 in 2022). However, during that same three-year period, El Dorado County only received fifteen SFCs for claimant fraud. Those fifteen SFCs accounted for only 1.08% of the total 1,391 claimant claims filed. Based on the research of the Coalition Against Insurance Fraud, El Dorado County should have received approximately 222 claimant fraud SFCs during that three-year period.

For the 2022-2023 year, El Dorado County requested updated claimant claim data from NICB. We did this with the intent of identifying the carrier(s) with the largest number of claims in our county for training and outreach purposes. Although we have not yet received the requested information from NICB, we will focus on outreach to all carriers in the coming fiscal year.

Another problem El Dorado County faces is uninsured businesses continuing to perform contracting 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." Often those providing the lowest bid are operating with insufficient, or a complete lack of, workers' compensation insurance coverage. Due to this, they are contracting with an unfair advantage over their law-abiding competitors and ultimately stealing hundreds of thousands of dollars in premiums from the workers' compensation insurance system.

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 workers' compensation fraud with a multidisciplinary approach. The Task Force aggressively and efficiently investigates and prosecutes the high impact and complex cases that affect the entire region of El Dorado, Sacramento, Yolo and Nevada Counties.

The Task Force allows El Dorado and the other Task Force counties to investigate multiple high impact cases simultaneously and in a timely fashion. Moreover, as the Task Force and its members continue to operate in this collaborative environment, the individual members are developing increased expertise and skillsets, resulting in quicker and more effective investigative plans and execution of individual tasks.

Our plan to address the relatively low number of SFCs includes researching which carriers hold the majority of the claims in our county and then targeting 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 in order 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 claims 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 also builds professional relationships amongst the main organizations in the field as well.

Additionally, we will reach out to the Department of Industrial Relations, the Employment Development Department, and local law enforcement agencies. Their involvement in the workers' compensation arena can likely help provide leads that we can investigate further.

We will continue our increased presence in the communities throughout El Dorado County and will continue conducting sting and sweep operations with the Contractors State Licensing Board, Division of Labor Standards Enforcement, and the Employment Development Department. This is also a great way to find new leads to investigate.

We will continue to attend community outreach events. By connecting with the community, including those new to the area or those who are having ancillary work done to their homes, we are able to educate and provide a resource to turn to if they see or hear about workers' compensation fraud. This outreach will hopefully reduce the number of homeowners hiring uninsured entities. Also, building these relationships with the community allows us to obtain more leads and continue the fight against workers' compensation fraud.

Investigators Lorey and Lindholm will continue to monitor contractors that they have previously contacted 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.

Also, Investigators Lorey and Lindholm will continue to regularly make contact with and maintain relationships with those businesses and entities who are in compliance with workers' compensation. Maintaining these relationships 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. The Task Force members (CDI, El Dorado County, Sacramento County, Yolo County and Nevada County) have a continuing, cohesive working relationship and meet, in-person, on a bi-weekly basis. This allows the Task Force members to have regular communication which ultimately minimizes redundant efforts and allows us to most effectively pursue these typically complex investigations. The El Dorado County District Attorney's Office and the Department of Industrial Relations Fraud Unit have had a good working relationship this past year and will focus on solidifying an MOU between the parties. This MOU will

hopefully provide El Dorado County District Attorney's Office with access to electronic data that detects patterns of fraud across the system, providing additional leads to investigate. The MOU between CDI and the El Dorado County District Attorney's Office recently expired and is currently in review with CDI.

CONTINUITY OF PROGRAM - El Dorado County District Attorney's Office is committed to preserving institutional knowledge and ensuring succession plans are in place. Assistant District Attorney James Clinchard has supervised the office's workers' compensation program since 2012. Our office is fortunate to have had the same full-time investigator, DAI Lorey, working under the workers' compensation grant for the past five years. Upon his retirement in the near future, our office will find the best possible replacement for him. Luckily, we also have the institutional knowledge and experience of DAI Lindholm, who has been investigating workers' compensation insurance fraud since 2011. He looks forward to the opportunity to train and mentor DAI Lorey's replacement.

DDA April Flores has been assigned to the workers' compensation fraud grant since February of 2023. She will remain in this position for the 2024-2025 grant year as well. She is continuing to learn the intricate area of workers' compensation and looks forward to increasing her knowledge and growing in her role. As is typical for El Dorado County, she attended both the 2024 CDAA Fraud Symposium held in Newport Beach, CA, and she and DAI Lorey attended the 2024 Anti-Fraud Alliance Conference in Monterey, CA.

The Task Force also ensures continuity for our investigators and prosecutors. With the team approach, the Task Force provides consistency as people potentially move out of their roles in our workers' compensation unit. The Task Force provides further institutional knowledge and ensures anyone new is trained in the most up-to-date and best practices in the industry.

OUTREACH - The Insurance Commissioner and Fraud Assessment Commission, as well as El Dorado County, believe outreach has a direct and positive impact on crime prevention in workers' compensation fraud. We have provided outreach through events such as the County Fair, Career Day Fairs, and through other local community organizations. We were 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.

This coming year, El Dorado County will continue these outreach efforts and also focus on organized labor and union groups, industry associations, and private sector organizations. We will spend more resources establishing relationships with SIUs, third-party administrators and self-insured employers. Hopefully with an open line of communication, we will see an increase of quality and quantity of suspected fraud referrals.

One area where we also provide outreach that is less human resource-intensive yet still provides public awareness is through our social media pages. We have posted about outreach events we have attended as well as posted campaigns to bring awareness to workers' compensation scams, including how to report. The social media posts with the most impact are those that highlight our county's successful prosecutions and convictions of workers' compensation cases.

BALANCED CASELOAD - El Dorado County understands that in order to best use resources and to provide the greatest deterrent, it is important to focus efforts on those fraudulent activities that have the greatest economic impact. During the 2023-2024 fiscal year, we had 50 active investigations. Of those investigations, 56% fall in the uninsured category, 32% into claimant, 8% into premium fraud, 2% into provider fraud, and one probation violation case.

PROVIDER FRAUD - El Dorado County recognizes that Provider fraud has a substantial financial impact on the workers' compensation insurance system. El Dorado County, in conjunction with the Task Force, has proven we are more than willing to aggressively pursue provider fraud cases. El Dorado County currently has one provider fraud case that we recently received that is under investigation (23AH018702). It was also sent to CDI and DOJ. The SFC was marked as healthcare fraud, and the SIU received rejection letters from CDI and DOJ. We contacted the SIU and discovered the healthcare fraud box was checked in error and the case was supposed to have been reported as workers compensation fraud. In addition, we learned that the SIU is reporting possible provider fraud involving an attorney. We have requested the file and are currently waiting for the SIU response.

In order to maintain our momentum in the provider fraud field, we will work with the Department of Industrial Relations Fraud Unit and will continue to conduct outreach and peer-to-peer training with the California Medical Board Investigators. 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 also recognizes that Claimant fraud, which accounted for 32% of our investigations this fiscal year, 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.

PREMIUM FRAUD – El Dorado County also recognizes the financial impact premium fraud has on the workers' compensation insurance system. We have received one premium fraud referral this year, which brought us up to four premium fraud investigations. 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 as well.

UNINSURED - This is the area El Dorado County has the most control of in rooting out suspected violators. Approximately 56% of our investigations during fiscal year 2023-2024 were comprised of uninsured employers. Our investigators frequently drive through various communities within the County and conduct compliance checks. Additionally, our office staff is aware of our program and review all reports with potential workers' compensation violations in mind. These practices will continue in the 2024-2025 grant year.

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 a premium fraud case that will require more than a single year to investigate and bring to a conclusion. CDI Case #23AW019536 is a joint investigation being conducted by CDI and El Dorado County and involves an estimated \$335,000 loss to the carrier.

El Dorado County also has a claimant fraud case that will require more than a single year to investigate. CDI Case #23AW016600 is a joint investigation being conducted by CDI and El Dorado County. The suspect forged and cashed over 70 checks after the claimant was deceased, resulting in an approximate \$60,000 loss to the carrier.

Other goals that are ongoing and will require more than a single year to accomplish include 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 Flores continues to make efforts to expedite the payment of restitution, including making plea deal offers that incentivize the early payment of restitution. In addition, DDA Flores monitors whether defendants actually pay their restitution. When defendants fail to make payments, DDA Flores has filed a violation of probation to further enforce the restitution order. This course of action has had a positive impact and led to the speedy payment of restitution in full. As a result of these efforts, there has been an uptick in the collection of these monies.

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
2023-24	\$101,985.00	\$15,025.00
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
	Total: \$187,825.00	Total: \$442,263.00

7. Applicant Question: Utilization Plan Related to Unexpended Funds

If you had unexpended funds from FY 22-23 (Overview Questions 2 & 3) that were 10% or more, address the below question(s). If your unexpended funds from FY 22-23 were under 10% of your FY 22-23 award, mark N/A.

- 1) You must address if you are on track to expend all of your FY 23-24 grant funding.
- 2) If you are not on track to expend all your funds and you are not asking for a corresponding reduction in your grant request, please explain.

Applicant Response:

At this time, the El Dorado County District Attorney's Office is anticipating over 10% carryover of unexpended funds from current fiscal year 2023-2024 into next fiscal year 2024-2025 for the Workers' Compensation Insurance Fraud Program. The application budget request amount of \$626,511 reflects the County's estimated costs of program expenditures in full. Should carryover funds from 2023-2024 be approved by CDI for use during 2024-2025, it is projected that those funds will be expended as a result of the increase in program assignment of the Deputy District Attorney.

8. Applicant Question: Utilization Plan

Your budget provides the amount of funds requested for Fiscal Year 24-25.

Provide a brief narrative description of your utilization plan for the Fiscal Year 24-25 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 \$626,511 for the 2024-2025 fiscal year under the Workers' Compensation Fraud (WC) program. The Office plans to fund (1) fulltime Attorney, (1) fulltime Investigator, and (1) Extra-Help Investigator solely dedicated to investigating and prosecuting WC cases. The funding request will also support 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.

The District Attorney's Office was awarded \$506,895 during current fiscal year 2023-2024, with an additional award amount of \$22,195, for a grand total award amount of \$529,090. The \$97,421 increase in funds requested on this application can be primarily attributed to the increase of the dedicated Attorney position assignment from 40% to 100%, which includes associated benefits.

El Dorado County continues to be the cornerstone and lead county agency of the 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 El Dorado County, Nevada County, Yolo County and Sacramento County. Based on experience, it is evident that the task force model is the best approach to combating high impact cases in the region, which are the primary cost drivers to the state's insurance system. While maintaining and facilitating this regional approach to the problem of insurance fraud, El Dorado County also continues to address localized fraud more unique to our county. As such, increasing the program assignment of the Deputy District Attorney would allow the office to foster consistency in investigation and prosecution efforts and to have maximum contact with other agencies ensuring exposure to the best practices in the industry and within the various Task Force agencies. This collaborative effort encourages a continued investment and facilitates the ability of all involved agencies to investigate bigger and more complex fraud cases.

9. 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:

El Dorado County continues to partner with state agencies including the Contractors State License Board, the Department of Industrial Relations and the Employment Development Department to ensure 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 with scene security. Our investigators use this opportunity to educate the uniformed officers about this area of the law which the uniformed officers are often unfamiliar with.

Our investigators assigned to our workers' compensation program periodically 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. 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 El 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 insurance and provide information about what our investigators and programs can do if or when their clients face such issues. Our office has received and investigated numerous uninsured referrals from the relationship with APS.

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 23-24.

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	12/13/2023	CDAA	Online	Laws for Prosecutors	2
1	01/30/2024	CDAA	Newport Beach, CA	Fraud Symposium	18
3	04/10/2024	Anti-Fraud Alliance	Monterey, CA	AFA Annual Conference	60

2. Applicant Question: Training and Outreach Provided

Upload and attach the Training and Outreach Provided form in Excel; label it "24-25 WC (county name) Training and Outreach Provided". Do not include training *received*; **only list training and outreach provided in FY 23-24** as outlined in the outreach definition below.

- For the number of Attendees / Contacts list only **numbers**; no other characters. Estimate the number as best you can. The data provided on this Excel sheet is compiled and presented to the Insurance Commissioner as Outreach is a focus of the Commissioner's Goals & Objectives.
- 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 "24-25 WC (County) Training and Outreach"

Attachment:

[24-25 WC El Dorado County Training and Outreach Provided.xlsx](#) - EXCEL DOCUMENT

Applicant Comment:

As we have done in years past, in mid-June the Workers' Compensation Fraud Unit will staff a booth at the El Dorado County Fair. Our investigators and deputy district attorneys, along with victims / witness advocates, interact with the public to educate about the pitfalls of hiring unlicensed / uninsured individuals, the economic impact workers' compensation fraud has on the economy, and promote our workers' compensation fraud program. Last year we interacted with over 1,000 people during this event. We are planning on attending this event again this fiscal year in June 2024.

Additionally, as our DDA's have done in the past, DDA Jensen conducted training at the CDI Basic Investigation Course. Training provided was for new CDI detectives in the areas of search and seizure, Miranda, courtroom testimony and report writing.

The El Dorado County District Attorney's Office also staffed a booth at an event sponsored by Marshall Medical Center and participated in the Pacific Crest Academy Career Day event. The investigator and DDA used this opportunity to again educate the public about workers' compensation fraud and interacted with over 100 people between the two events. In February 2024, we met with a group of retirees, the "Sons in Retirement", from a contact made at the El Dorado County Fair Booth. This was yet another opportunity to educate the public about the problems with hiring unlicensed / uninsured individuals.

The El Dorado County District Attorney's Office regularly makes contact with the county tax collector who oversees business permits, along with the county building department and code enforcement who oversees building permits. The purpose of these contacts is to ensure the departments are aware of our fraud program and to hopefully generate referrals when these departments notice businesses operating without workers' compensation insurance.

The El Dorado County District Attorney's Office continues outreach efforts through social media posts as well. These posts include press releases for celebrating successful investigations and prosecutions along with general workers' compensation fraud awareness for the public. Tracking of the activity on the social media posts showed that thousands of viewers have been reached.

3. Applicant Question: Future Training and Outreach

Describe what kind of training/outreach you plan to provide in Fiscal Year 24-25.

Applicant Response:

For the 2024-2025 Fiscal Year, we will continue regular outreach to our local city and county departments to educate them about our fraud program and promote networking. This will be accomplished with training presentations and in-field meetings with a goal of generating referrals from our local agencies. We will additionally continue to make presentations to local businesses and groups to educate the public about the problems associated with unlicensed / uninsured contractors, premium, claimant and provider fraud. We plan to meet with insurance companies, SIUs and investigators within the counties covered by the task force (El Dorado, Nevada, Sacramento and Yolo). Our goal is networking, training, and sharing of best practices with the hope of generating quality referrals.

We additionally will continue to staff a booth at the El Dorado County Fair event to reach as many members of the public as possible for crime prevention and to provide information about the workers' compensation fraud program. We will continue to attend the Anti-Fraud Alliance training and events in the Northern California area including the annual conference.

Sub Section Name: Joint Plan

1. Applicant Question: Joint Plan

Upload your WC Joint Plan and label it "24-25 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:

[24-25 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 "24-25 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:

[24-25 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 24-25 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:

[24-25 WC El Dorado County 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:

No

BUDGET REPORT

Project Name: FY 24-25 WC EI Dorado
Applicant Organization: EI Dorado
Application ID: App-24-264
Requested Amount:
Funding Announcement Name: FY 24-25 Workers' Compensation Insurance Fraud Program



Expand All	Direct	Total
▶ Salary By Position	\$375,826.00	\$375,826.00
Supervising Attorneys		
Attorneys	\$152,194.00	\$152,194.00
Supervising Investigators		
Investigators (Sworn)	\$219,878.00	\$219,878.00
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	\$3,754.00	\$3,754.00
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		

Expand All	Direct	Total
Benefits	\$186,028.00	\$186,028.00
▶ Operating Expenses, General	\$44,718.00	\$44,718.00
Grant Indirect Costs - 10% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)	\$37,583.00	\$37,583.00
Grant Indirect Costs - 5% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)		
Outreach	\$175.00	\$175.00
Audit	\$5,500.00	\$5,500.00
Forensic Accounting Services		
Transcription Services, Interpreter Services, Records Requests		
Expert Consultant Fees		
Witness Fees/Litigation Fees		
Undercover Operation Expenses		
Office Supplies		
Office Space/Facility Fees	\$500.00	\$500.00
IT Services		
Communications (phone, etc.)	\$960.00	\$960.00
Membership Dues/Publications		
Operating Expenses, General - other		
▶ Operating Expenses, Detailed	\$13,819.00	\$13,819.00
Insurance (i.e., General Liability, etc.; identify in narrative)	\$7,057.00	\$7,057.00
Motor Pool/Fleet Services (cannot include reserve fund for future purchases; identify number of vehicles and usage fee breakdown in narrative)		

Expand All	Direct	Total
Vehicle Fuel and Maintenance (identify number of vehicles in narrative)	\$5,802.00	\$5,802.00
Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased or motor pool/fleet vehicles; identify number of vehicles in narrative)		
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 associated with investigation and/or training. In narrative identify purpose, number of staff, and FTE)	\$5,070.00	\$5,070.00
Travel - Out of CA (Include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training. In narrative identify state, purpose, number of staff, and FTE)		
Training - In CA (Include registration fees. In narrative identify purpose, number of staff, and FTE)	\$1,050.00	\$1,050.00
Training - Out of CA (Include registration fees. In narrative identify state, purpose, number of staff, and FTE)		
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)		

Expand All	Direct	Total
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)		
Equipment - other		
Total	\$626,511.00	\$626,511.00

Budget Justification	Budget Calculations	Budget Narrative
▶ Salary By Position		

Supervising Attorneys		
Attorneys	No. of Positions: 1 Total FTE: 1	Total Cost: \$152,194.00 Total Requested Amount: \$152,194.00
Supervising Investigators		
Investigators (Sworn)	No. of Positions: 2 Total FTE: 1.46	Total Cost: \$219,878.00 Total Requested Amount: \$219,878.00
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Audit or		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	No. of Positions: 1 Total FTE: 0.05	Total Cost: \$3,754.00 Total Requested Amount: \$3,754.00
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		
Benefits		

<p>► Operating Expenses, General</p>	
<p>Grant Indirect Costs - 10% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)</p>	
<p>Grant Indirect Costs - 5% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)</p>	
<p>Outreach</p>	
<p>Audit</p>	
<p>Forensic Accounting Services</p>	
<p>Transcription Services, Interpreter Services, Records Requests</p>	
<p>Expert Consultant Fees</p>	
<p>Witness Fees/Litigation Fees</p>	

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, etc.; identify in narrative)	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> Rate distribution for General Liability insurance cost = \$7,057. </div>

<p>Motor Pool/Fleet Services (cannot include reserve fund for future purchases; identify number of vehicles and usage fee breakdown in narrative)</p>	<div data-bbox="1326 140 2087 354" style="background-color: #e0e0e0; height: 134px;"></div>
<p>Vehicle Fuel and Maintenance (identify number of vehicles in narrative)</p>	<div data-bbox="1326 427 2087 641" style="background-color: #e0e0e0; padding: 5px;"> <p>Vehicle maintenance costs for (2) vehicles assigned to (1) Investigator and (1) Attorney. Anticipated maintenance costs for the year total \$2,000. Fuel costs are anticipated to total \$3,802. Vehicles are used for grant related travel as the assigned investigator and attorney are 100% dedicated to the WC program.</p> </div>
<p>Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased or motor pool/fleet vehicles; identify number of vehicles in narrative)</p>	<div data-bbox="1326 730 2087 944" style="background-color: #e0e0e0; height: 134px;"></div>
<p>Vehicle Parking (identify number of vehicles in narrative)</p>	<div data-bbox="1326 1034 2087 1248" style="background-color: #e0e0e0; height: 134px;"></div>

<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 associated with investigation and/or training. In narrative identify purpose, number of staff, and FTE)</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 (Include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training. In narrative identify state, purpose, number of staff, and FTE)</p>	<hr/>	
<p>Training - In CA (Include registration fees. In narrative identify purpose, number of staff, and FTE)</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 (Include registration fees. In narrative identify state, purpose, number of staff, and FTE)</p>	<hr/>	

Operating
Expenses, Travel
and Training -
other

► Equipment

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

CALIFORNIA DEPARTMENT OF INSURANCE FRAUD DIVISION



WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM

FISCAL YEAR 2024-2025

**ADMINISTRATIVE REQUIREMENTS
AFTER AWARD**

**WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM
AFTER AWARD
SUMMARY OF IMPORTANT DEADLINES
FISCAL YEAR 2024-2025**

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"/>
<ul style="list-style-type: none"> • As needed (before end of liquidation period) • Equipment requests must be received by June 1, 2025 	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, 2025	Board of Supervisors Resolution	Upload document in Grant Management System	<input type="checkbox"/>
Monday, Feb. 3, 2025	Mid-Year Program Report FY 2024-25 Six Month DAR	Submitted online on CDI Website DA Portal	<input type="checkbox"/>
Friday, Aug. 29, 2025	Annual Program Report FY 2024-25 Year End DAR	Submitted online on CDI Website DA Portal	<input type="checkbox"/>
Friday, Oct. 31, 2025	Annual Expenditure Report FY 2024-25	CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Friday, Oct. 31, 2025	Audited Unexpended Funds and Carry Over Utilization Request FY 2024-25 into FY 2025-26 <i>A written justification and budget must be submitted if you wish to utilize the requested carry over.</i>	CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Friday, Oct. 31, 2025	Financial Audit Report FY 2024-25 Financial Audit Guidelines are provided as Attachment B in this document.	CDI will provide submittal instructions at a later time	<input type="checkbox"/>

**WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM
ADMINISTRATIVE REQUIREMENTS AFTER AWARD
FISCAL YEAR 2024-2025**

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, 2024, and end on June 30, 2025.

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, 2024 and end on June 30, 2025. 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. The ADMIN-USER or the Primary Contact must also notify LAU of any contact changes via email (LAU@insurance.ca.gov).

D. BUDGET

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, prior to the end of the liquidation period. However, budget modification requests with equipment must be received no later than June 1, 2025.

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

CDI must be notified of the grant-purchased equipment details once acquired and the disposal/salvage of each equipment item in accordance with the Budget Instructions.

Disposed/salvaged equipment with a per unit fair market value over \$5,000 at the time of disposal, must have the residual fair market value, less any selling costs, returned to the grant. The residual value will be treated as program revenue, similar to interest.

E. RESOLUTION

If the Resolution cannot be submitted with the application, it must be submitted in the Grant Management System by **January 2, 2025**.

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 2024-2025 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 3, 2025**. For the 2024-2025 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 filed related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of prosecutions and civil suits filed related to workers' compensation insurance fraud;
- The number of convictions and 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, 2025**. For the 2024-2025 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 related to workers' compensation insurance fraud, with the number of defendants indicated;
- The number of prosecutions and civil suits filed related to workers' compensation insurance fraud;
- The number of convictions and 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, 2025**. 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 totals per line item for Salaries and one line item for 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, 2025**. 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.

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, 2025**. CDI will provide submittal instructions at a later time.

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

California Insurance Code Sections 1872.83, 1872.85, 1872.8, 1874.8, and 10127.17, along with the California Code of Regulations Sections 2698.59(f), 2698.67(g)(h), 2698.77(e)(f), and 2698.98.1(g)(h) authorizes or requires CDI to perform audits or reviews of the Insurance Fraud Grant Programs that it administers, and provides the

authority for CDI auditors to have access to all reports, working papers, correspondence, or other documents, including CPA audit reports and CPA audit working papers related to the audit report or local program. To maximize the effectiveness and efficiency of these audit efforts, and to minimize the disruption to the county's operation, CDI will usually conduct the audits or reviews of all county grant programs at the same time. These audits will occur at least once every three years.

The primary objective of CDI audits is to verify that expenditures were made for the purpose of the applicable insurance fraud program and expenditures are properly documented. Other audit objectives may be added at the discretion of the CDI audit team after audit planning has been completed.

The CDI Fraud Grant Audit Unit (FGAU) is the unit that will perform the audits. FGAU is part of the CDI Enforcement Branch Headquarters, Audit Program Section under the Deputy Chief - Investigative Support. FGAU audits will be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS), also known as the "Yellow Book".

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 2024-2025

(1) **Documented Payrolls:** Charges to CDI grant awards for salaries and employee benefits will be based on payrolls documented in accordance with the payroll policies and procedures of the county. All charges to the grant program must be documented on a timesheet that is approved by the grant funded employee and a responsible official(s) of the county (typically the employee's supervisor), after the end of the respective pay period.

(2) **Employees 100% Funded by a Single CDI Grant:** For employees that are listed in the Grant Application and approved budget as 100% funded by a single CDI grant award, charges for their salaries and wages shall be minimally supported by a non-functional timesheet (as defined in Section 3(a)) and 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**). Certifications shall be signed after the completion of the certification period. Alternatively, the functional time sheet documentation requirements (as defined in Section 3(a)) for employees that are partially funded by a single CDI Grant (**Section 3**) can be used for employees that are 100% funded by a single CDI Grant. In the event a 100% funded employee's time is documented by a functional timesheet, a semi-annual certification is not required.

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 and employee benefits will be supported by a functional timesheet as defined in Section (a) below, which meet the standards below:

(a) A "Functional" timesheet must include a program specific account code used to segregate the total grant hours from other programs or general activity. Timesheets that just show total hours worked, without allocating daily time to

various programs, are not considered functional timesheets and are referred to as non-functional time sheets.

- (b) The monthly employee salary/benefit allocation to the grant program(s) will be determined monthly based on a percentage allocation of the employee's total time worked documented on their functional timesheet. 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 ($85/200 = 42\%$).

(4) Documentation Requirements for both 100% Funded and Partially Funded Grant Employees:

- (a) Salary and employee benefit costs must reflect an after-the-fact distribution of the actual monthly activity of each employee.
- (b) Time sheets must account for the total activity for which the employee is compensated each day during the pay period.
- (c) Timesheets must be prepared at least monthly and must coincide with one or more pay periods.
- (d) Timesheets must be signed by the employee and the employee's supervisor, after the end of the pay period.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to CDI grant programs.
- (f) If budget estimates or other distribution percentages determined before the services are performed are the only support for the grant funded salary and employee benefit expenditures, **these expenditures will be disallowed**. Pre-approval of employee time sheets is also considered a budget estimate for purposes of this section.
- (g) In the event that semi-annual certifications are not completed in a timely manner, or documentation requirements for employees that are partially funded by a single CDI Grant are not followed, the associated salary and employee benefit expenditures (and indirect costs if applicable), **will be disallowed**.

Timesheet Example

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

1. Date
2. Hours
3. Grant Program (Workers' Compensation, Auto, Organized Auto, Disability & Healthcare, Life & Annuity) or Functional Time sheet program account code.

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 TIMESHEET FORMATS.

Other Acceptable 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 outreach 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 outreach 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 A - Certification- Employee 100% Funded from One Grant

Semi-Annual Certification for Salaries & Benefits Charged to a Single Grant

County:

Grant Title:

Time Period:

Employee:

Supervisor:

Per the criteria contained in the California Department of Insurance (CDI) Fraud Grant Request for Application, if an employee is expected to work solely on one CDI Grant Award, such work must be supported with a periodic certification that substantiates the employee worked solely on that CDI grant award for the period covered by the certification.

I certify that the employee listed above spent 100% of their time on activities related to the CDI Grant Award listed above, and those activities were in compliance with this grant award during the period listed above. The information on this form is true and correct to the best of my knowledge.

Employee Signature

Date

Employee's Supervisor Signature*

Date

***Must be signed by a supervisory official having firsthand knowledge of the work performed by the employee.**

Exhibit B- Monthly Functional Timesheet- Employees that are not 100% Funded from One Grant

Timesheet


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 _____



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

Print Form

Timesheet

Employee Name:

Employee ID:

Grant Manager:

Pay Period End Date:

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 * →															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 2024-2025

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 2024-2025**

**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.