



AGENDA ITEM NO.  
**C-12**

# COUNTY OF HUMBOLDT

For the meeting of: December 6, 2016

Date: November 1, 2016

To: Board of Supervisors

From: Maggie Fleming, District Attorney *M Fleming*

Subject: Grant Award for Fiscal Year (FY) 2016-17 Workers' Compensation Insurance Fraud Program

### RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached Resolution accepting the Grant Award from the State of California for the Workers' Compensation Fraud Program FY 2016-17; and
2. Direct the Clerk of the Board to process and return the approved resolution to the District Attorney's Office, attention Rachelle Davis, for further processing and submission to the State.

### SOURCE OF FUNDING:

State of California, Department of Insurance and the General Fund

### DISCUSSION:

The Office of the District Attorney (DA) has received notification of grant funding through the State of California – Department of Insurance, for the period July 1<sup>st</sup> 2016 through June 30<sup>th</sup> 2017, to continue the Workers' Compensation Insurance Fraud Program in the amount of \$200,000.

Prepared by : Rachelle Davis

CAO Approval

*Cheryl O'Malley*

REVIEW:	Auditor <i>MSM</i>	County Counsel _____	Personnel _____	Risk Manager _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell*

Seconded by Supervisor *Bass*

And unanimously carried by those members present,

The Board hereby adopts the recommended action contained in this report.

### PREVIOUS ACTION/REFERRAL:

Board Order No. C-14

Meeting of: June 9, 2015

Dated: *Dec. 6, 2016*

Kathy Hayes, Clerk of the Board

By: *J. Hartwell*

This is the eighth year the District Attorney has participated in this program. The funds will be used locally to fund 1.0 full time equivalent (FTE) District Attorney Investigator, and .50 FTE Deputy District Attorney starting July 1, 2016. Both the Del Norte and Trinity County District Attorney's Offices have entered into an agreement with the Humboldt County District Attorney to develop a regional Insurance Fraud Unit. The resources here will be available to investigate and prosecute Workers' Compensation fraud cases in those counties.

The Insurance Fraud Unit will be involved in community outreach to inform local contractors and insurance companies who handle worker's compensation claims and insurance policies. This outreach will assist in ways in identifying possible workers' compensation insurance fraud and how to report the suspected insurance fraudulent activities which will aid in improving serves to the business communities in all three regional areas.

FINANCIAL IMPACT:

Approval of the one year grant application will allow the District Attorney to be reimbursed up to a maximum of the requested amount of \$200,000, for services performed in accordance with the scope of work described in the grant for the period of July 1, 2016 through June 30, 2017.

Approval of this agenda item supports the Board's strategic framework by creating opportunity for improved public safety and providing community appropriate levels of service with the use of outside funding sources to benefit Humboldt County needs.

OTHER AGENCY INVOLVEMENT:

State of California, Department of Insurance

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to accept the grant award from the State of California, however, this is not recommended. Non acceptance of the grant award will cause a loss of revenue for the Humboldt County District Attorney's Office and would leave the community, as well as, the region without a Workers' Compensation Insurance Fraud Investigative Unit.

ATTACHMENTS:

1. Grant Award Letter
2. Resolution

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**  
Certified copy of portion of proceedings, Meeting of December 6, 2016

RESOLUTION NO. 16-133


**RESOLUTION AUTHORIZING RECEIPT OF FUNDING FROM THE CALIFORNIA DEPARTMENT OF INSURANCE FOR FISCAL YEAR 2016-2017 FOR THE WORKERS' COMPENSATION INSURANCE FRAUD GRANT PROGRAM**

**WHEREAS**, the County of Humboldt desires to undertake a certain program designated Workers' Compensation Insurance Fraud Program to be funded in part from funds made available through California Insurance Code Section 1872.83, California Code of Regulations, Title 10, Section 2698.55 *et seq.* and administered by the California Department of Insurance.

**NOW, THEREFORE, BE IT RESOLVED** that the District Attorney of the Humboldt County District Attorney's Office is authorized, on its behalf, to submit the attached proposal to the California Department of Insurance and is authorized to execute on behalf of the Board of Supervisors the attached Grant Award Agreement including any extensions or amendments thereof; and

**BE IT FURTHER RESOLVED** that the grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

Dated: December 6, 2016

  
\_\_\_\_\_  
MARK LOVELACE, Chair  
Humboldt County Board of Supervisors


Adopted on motion by Supervisor Fennell, seconded by Supervisor Bass, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA )  
County of Humboldt )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

  
\_\_\_\_\_  
By BROOKE EBERHARDT  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California

**WORKERS' COMPENSATION INSURANCE FRAUD  
INVESTIGATION/PROSECUTION PROGRAMS  
FISCAL YEAR 2016-2017 GRANTS**

**Grant Application  
Checklist and Sequence**

*The Application MUST include the following:*

	<u>YES</u>	<u>NO</u>
1. Is the Grant Application Transmittal sheet (Form 02) completed and signed by the district attorney?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Table of Contents	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is the Program Contact Form (Form 03) completed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Is an original or certified copy of the Board Resolution (Form 04) included? If NOT, the cover letter must indicate the submission date.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. The County Plan includes:		
a) County Plan Qualifications (Form 05)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Staff Qualifications (Form 06(a))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Organizational Chart (Form 06(b))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Program Report (DAR or Form 07)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) County Plan Problem Statement (Form 08)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) County Plan Program Strategy (Form 09)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the projected Budget (Forms 10-12) included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a) Are line-item totals verified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Equipment Log (Form 13) completed and signed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Joint Plan (Attachment A)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Case Descriptions (Attachment B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**GRANT APPLICATION TRANSMITTAL**  
**Instructions for Fiscal Year 2016-2017**

**GRANT APPLICATION TRANSMITTAL**

The Grant Application Transmittal is the cover page for the application. The official signing the face sheet for the applicant must be the district attorney for the county. The Grant Application Transmittal must also name the contact person who is designated to answer any questions about the proposed program.

1. Program Title: Workers' Compensation Fraud Program.
2. Grant Period: July 1st, 2016 through June 30<sup>th</sup>, 2017
3. Grant Amount: \$209,903.00
4. Estimated Carryover Funds: None.
5. Program Director: Wayne Cox  
Chief Investigator
6. Financial Officer: Rachelle Davis  
Legal Business Manager
7. Official Submitting Application: Maggie Fleming  
District Attorney  
County of Humboldt  
825 5<sup>th</sup> Street, 4<sup>th</sup> Floor  
Eureka CA, 95501

**DEPARTMENT OF INSURANCE  
GRANT APPLICATION TRANSMITTAL**

Office of the District Attorney, County of Humboldt, hereby makes application for funds under the *Workers' Compensation Insurance Fraud Program* pursuant to Section 1872.83 of the California Insurance Code.

Contact: Wayne Cox, Chief Investigator

Address: 825 5<sup>th</sup> Street, 4<sup>th</sup> Floor Eureka CA, 95501

Telephone: (707) 445-7411

Workers Compensation Fraud Program      July 1, 2016 through June 30<sup>th</sup> 2017

(1) *Program Title*

(2) *Grant Period*

(3) New Funds Being Requested: \$ 209,903.00

(4) Estimated Carryover Funds: \$ 0.00

Wayne Cox, Chief Investigator

Rachelle Davis

(5) *Program Director*

(6) *Financial Officer*

Maggie Fleming  
(7) *District Attorney's Signature*

Name: Maggie Fleming

Title: District Attorney

County: Humboldt

Address: 825 5<sup>th</sup> St. 4<sup>th</sup> Floor

Eureka CA, 95501

Telephone: (707) 445-7411

Date: April 18, 2016

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**DEPARTMENT OF INSURANCE  
PROGRAM CONTACT FORM**

1. Provide the name, title, address and telephone number of the person having day-to-day operational responsibility for the program, and who can be contacted with questions regarding the program.

Name: Wayne Cox

Title: Chief Investigator

Address: 825 5<sup>th</sup> St. 4<sup>th</sup> Floor

Eureka CA, 95501

E-mail address: wcox@co.humboldt.ca.us

Telephone Number: (707) 445-7411 Fax Number: (707) 445-7416

2. Provide the name, title, address and telephone number of the District Attorney's Financial Officer.

Name: Rachelle Davis

Title: Legal Business Manager

Address: 825 5<sup>th</sup> Street, 4<sup>th</sup> Floor

Eureka CA, 95501

E-mail address: rdavis@co.humboldt.ca.us

Telephone Number: (707) 445-7411 Fax Number: (707) 445-7416

3. Provide the name, title, address and telephone number of the person who may be contacted for questions regarding data collection/reporting for the applicant agency.

Name: Martin Morris

Title: Investigator

Address: 825 5<sup>th</sup> St. 4<sup>th</sup> Floor

Eureka CA, 95501

E-mail address: mdmorris@co.humboldt.ca.us

Telephone Number: (707) 445-7411 Fax Number: (707) 445-7416



***BOARD OF SUPERVISORS RESOLUTION***

The Board of Supervisors Resolution is not yet complete. We project that it will be submitted on May 3<sup>rd</sup>, 2016.

**WORKERS' COMPENSATION INSURANCE FRAUD  
QUALIFICATIONS**

Answer the following questions to describe your experience in investigating and prosecuting workers' compensation insurance fraud cases during the last two (2) fiscal years, as specified in the California Code of Regulations, Title 10, Section 2698.55.

**1. What areas of your workers' compensation insurance fraud operation were successful and why?**

The Humboldt County District Attorney's Office is diligently working toward a streamlined Fraud Program. We have committed to daily dialog and regular staff meetings which have allowed us to make necessary adjustments. We have recognized that close dialog between our Investigator and Prosecutor is the key to our success. We are working together to exceed our promised goals and the goals we expect of our program.

We are in the process of developing a standard of what we deem to be a reasonable resolution to these particular types of fraud crimes. Although each case holds a unique set of facts which may waiver from our general standards, it has helped us determine the value of a case to effectively manage our resources.

We work well with other organizations, agencies, and our partners in law enforcement who we are confident will assist us in achieving our program goals.

We have committed ourselves to actively reaching out to local community business owners, agency staff and citizens. We have significantly increased our outreach over the past few years which has led to a number of investigations that would have otherwise been unreported. We have utilized informants and self-generated investigations, and our actions have become a deterrent to workers' compensation fraud.

In 2014 we implemented a fraud tip hotline. The line is routed to the desk of our investigator and he has received a number of reports that have resulted in fraud investigations and subsequent prosecutions.

**2. Specify what unfunded contributions (i.e., financial, equipment, personnel, and technology) and support your county provided to the workers' compensation insurance fraud program.**

Humboldt County utilizes its own resources by paying incurred overtime costs, providing two office spaces, which are equipped with utilities and desk telephone lines as well as computers and associated components which are paid for and maintained by the County of Humboldt. The County of Humboldt also does not hesitate to utilize the time, and

wages, of other investigators and officer personnel to assist with the Fraud Program when necessary. For example, surveillance operations, search warrants, arrests, and investigations conducted in Humboldt, Del Norte or Trinity Counties result in overtime wages to investigators which are not funded by the Fraud Program. Humboldt County also provides the investigator with a bullet resistant vest, a tactical rifle and duty handgun as well as a duty uniform, radio, badge, identification and the service of an evidence storage facility. The prosecuting attorney has regular access to a law library equipped with manuals and reference material, as well as online access to Lexis Advance for legal research. We have also contributed the mileage of maintenance of the vehicle in which our investigator uses to travel between our Tri-County jurisdictions. We have contributed to our staff's communications, office supplies, staff development/ training, outreach and audit fees.

In addition, the County of Humboldt provides our Fraud program with invaluable radio communication services as well as computer forensic services. We utilize these resources frequently, as technology has become a key component of our investigations. The radio communications provide critical information for use in our investigations as well as monitoring our staff's safety. The Humboldt County District Attorney's Office also maintains a toll free number to report fraud and contributes the associated costs of that line to the program.

- 3. 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.**

Our Fraud program consists of one investigator to handle all workers' compensation investigations. Since October of 2013, our assigned Investigator is Martin Morris. He enjoys these types of investigations, and has no intentions of transferring to another assignment. Investigator Morris has worked diligently within this program and unless an unforeseen circumstance arises, he will remain committed to the program.

We are pleased to announce that Deputy District Attorney Candace Myers joined our Fraud Program in September of 2015. DDA Myers was formerly employed by the Sacramento District Attorney's Office and the City of Eureka California. DDA Myers has proven her ability to absorb large quantities of information rapidly and prepare cases for hearing. DDA Myers uses the time she has which is not allocated to workers compensation fraud to prosecute crimes of domestic violence.

The County of Humboldt is also responsible for the investigations and prosecutions of workers' compensation related violations in Del Norte and Trinity counties. Because of this we have no rotational assignment requirement within our program. Appointments are made based on interest and effectiveness of the public servants holding these positions.

- 4. List the governmental agencies you have worked with to develop potential workers' compensation insurance fraud cases.**

The Humboldt County Fraud program has worked with Investigators and Supervisors with the Department of Insurance, members of the Contractor's State Licensing Board,

the Del Norte County District Attorney's Office, the Trinity County District Attorney's Office, the Department of Industrial Relations, Fortuna (CA) Building Department and Police Department, Eureka (CA) Building Department and Police Department, Humboldt County Building Department and Sheriff's Office, Del Norte County Building Department and Sheriff's Office, Crescent City (CA) Building Department and Police Department, the Trinity County Building Department, the San Diego County District Attorney's Office, The Department of Fish and Wildlife, the California Department of Corrections and Rehabilitation, the California Highway Patrol, Employment Development Department, State Compensation Insurance Fund, the Department of Social Services, the Department of Consumer Affairs, the California State Board of Pharmacy, the Drug Enforcement Administration, and the California Department of Justice.

**5. Was there a distribution of frozen assets in the current reporting period? If yes, please describe. If no, state none.**

None.

**QUALIFICATIONS**

List the name of the program's prosecutor(s) and investigator(s). Include position titles and percentages for any vacant positions to be filled. For each, list:

1. The percentage of time devoted to the program
2. How long the prosecutor(s)/investigator(s) have been with the program

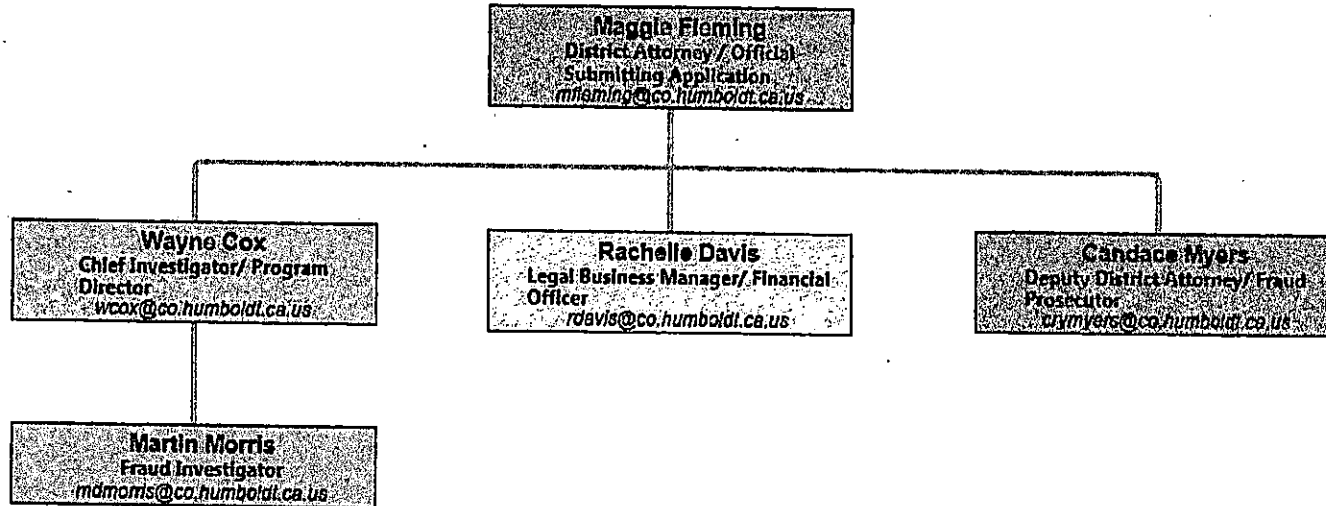
<b>Prosecutors</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
Candace Myers	50 %	09/12/2015- Present

<b>Investigators</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
Martin Morris	100 %	10/22/2013- Present

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**Organizational Chart  
Humboldt County District Attorney**

FORM 06(b)





- Home
- District Attorney Reporting
- Request for Application (RFA)
- Definitions
- Resources
- FAQ's
- DA Information Webinar
- Contact Us
- Change Password
- Log Off

**DISTRICT ATTORNEY REPORTING**

**Workers' Compensation Report**

Welcome DAREPORT12

Report saved successfully.

**UPDATE RECORD**

**CALIFORNIA DEPARTMENT OF INSURANCE - FRAUD DIVISION  
WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM  
FISCAL YEAR 2015-16 (From 07/01/15 To 04/15/16)  
PROGRAM REPORT FOR Humboldt COUNTY**

<b>II. Number of Suspected Fraud Claims</b>						<input type="text" value="1"/>	
Reviewed from 07/01/15 through 04/15/16							
<b>II. DOCUMENTED CASE REFERRALS SOURCE</b>	<b>PENDING</b>	<b>ACCEPTED</b>	<b>REJECTED</b>	<b>TOTAL</b>			
A. CDI - Fraud Division	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
B. Private Carrier	<input type="text"/>	1	<input type="text"/>	<input type="text"/>			
C. Local Law Enforcement	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
D. Self Insured/Third Party Administrator	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
E. Department of Industrial Relations	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
F. Others	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
<b>Total (A-F)</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
<b>III. INVESTIGATIONS - PRE FILING DECISIONS</b>						<b>CASES</b>	<b>SUSPECTS</b>
A. Number of cases and suspects carried forward on 06/30/15 to FY 15/16						5	5
B. Number of New cases and suspects initiated from 07/01/15 through 04/15/16						8	8
C. Total Cases/Suspects (A+B)						13	13
<b>Case Investigation by Categories and Complexities</b>	<b>STANDARD</b>	<b>MEDIUM</b>	<b>COMPLEX</b>	<b>VERY COMPLEX</b>	<b>TOTAL CASES</b>	<b>SUSPECTS</b>	
1. Claimant Fraud	9	2	<input type="text"/>	<input type="text"/>	11	11	
2. Premium Fraud	<input type="text"/>	<input type="text"/>	1	<input type="text"/>	1	1	
3. Multiple Entities Provider Fraud	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
4. Single Entity Provider Fraud	<input type="text"/>	1	<input type="text"/>	<input type="text"/>	1	1	
5. Insider Fraud	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
6. Uninsured Employer	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
7. Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
<b>TOTAL (Same as C)</b>	9	3	1	0	13	13	
<b>D. DA Rejection/Closed after investigation TOTAL</b>							
<b>Cases by District Attorney Investigators</b>	<b>Cases by Fraud Division</b>	<b>Cases by Others</b>	<b>Joint Cases</b>				
11	<input type="text"/>	<input type="text"/>	2				
<b>E. Cases Rejected from 07/01/15 through 04/15/16 by Categories and Complexities</b>	<b>STANDARD</b>	<b>MEDIUM</b>	<b>COMPLEX</b>	<b>VERY COMPLEX</b>	<b>TOTAL CASES</b>	<b>TOTAL DEFENDANTS</b>	<b>ESTIMATED CHARGEABLE FRAUD (in dollars)</b>
1. Claimant Fraud	<input type="text"/>	3	<input type="text"/>	<input type="text"/>	3	3	
2. Premium Fraud	<input type="text"/>	1	1	<input type="text"/>	2	2	\$1,292,000
3. Multi-Entities Provider Fraud	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
4. Single Entity Provider Fraud	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
5. Insider Fraud	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0		
6. Uninsured Employer	4	1	<input type="text"/>	<input type="text"/>	5	5	
7. Other	1	<input type="text"/>	<input type="text"/>	<input type="text"/>	1	1	
<b>TOTAL</b>	5	5	1	0	11	11	\$1,292,000
<b>IV. ARRESTS THIS REPORTING PERIOD</b>						<b>CASES</b>	<b>DEFENDANTS</b>
A. Total Arrests/Surrenders - Felony	<input type="text"/>					2	3

B. Total Arrests/Surrenders - Misdemeanor							3	
Total (A + B) - Felonies and Misdemeanors							3	
<b>V. CASES &amp; DEFENDANTS IN COURT</b>								
A.	Cases carried forward on 06/30/15 to FY 15/16 by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	ESTIMATED CHARGEABLE FRAUD (in dollars)
	1. Claimant Fraud		4			4	4	\$165,000
	2. Premium Fraud			2		2	2	\$739
	3. Multi-Entities Provider Fraud					6		
	4. Single Entity Provider Fraud			1		1	1	\$15,000
	5. Insider Fraud					4		
	6. Uninsured Employer		2			2	2	
	7. Other			3		3	3	
B.	New Case filings/indictments initiated 07/01/15 through 04/15/16 by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	ESTIMATED CHARGEABLE FRAUD (in dollars)
	1. Claimant Fraud		1	1		2	2	\$105,000
	2. Premium Fraud					0		
	3. Multi-Entities Provider Fraud					0		
	4. Single Entity Provider Fraud					0		
	5. Insider Fraud					2		
	6. Uninsured Employer		3	1		4	4	
	7. Other					6		
C.	Total cases in court Categories and Complexities (A + B)	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	ESTIMATED CHARGEABLE FRAUD (in dollars)
	1. Claimant Fraud	0	5	1	0	6	6	\$279,000
	2. Premium Fraud	0	0	2	0	2	2	\$739
	3. Multi-Entities Provider Fraud	0	0	0	0	0	0	
	4. Single Entity Provider Fraud	0	0	1	0	1	1	\$15,000
	5. Insider Fraud	0	0	0	0	0	0	
	6. Uninsured Employer	0	5	1	0	6	6	
	7. Other	0	0	3	0	3	3	
<b>TOTAL CASES IN COURT</b>		0	10	4	0	14	14	\$299,739
D.	Total Cases by Filing Classification	Joint	DA	CDI	OTHER	TOTAL CASES	DEFENDANTS	
	1. Felony Cases from (C)		5			5	5	
	2. Misdemeanor Cases from (C)		3			3	3	
	3. Civil Cases from (C)		3			3	4	
E.	Court Proceedings					Cases	DEFENDANTS	
	1. Number of Preliminary Hearings					4	4	
	2. Number of Grand Jury Indictments							
	3. Number of Probation Violations							
	4. Trials					Number of Trials	Days in Trials	
						4	0	
						Number of Cases	Amount	
	5. Assets frozen							
<b>VI. FELONY DISPOSITIONS</b>						CASES	DEFENDANTS	
A. Disposition								



1. Number of Convictions by Trial	<input type="text"/>	<input type="text"/>	
2. Number of Convictions by Plea	<input type="text" value="0"/>	<input type="text" value="0"/>	
3. Number of Acquittals	<input type="text"/>	<input type="text"/>	
4. Number of Dismissals	<input type="text" value="1"/>	<input type="text" value="1"/>	
<b>B. Sentences (Including Probation Violations)</b>			
1. State Prison Imposed	<input type="text"/>	<input type="text"/>	
2. County Jail Imposed	<input type="text"/>	<input type="text"/>	
3. Probation, no Jail Imposed	<input type="text"/>	<input type="text"/>	
C. Reduction to Misdemeanor	<input type="text"/>	<input type="text" value="2"/>	
	<b>AMOUNT ORDERED</b>	<b>AMOUNT COLLECTED</b>	
D. Amount of Fines & Penalty Assessments	<input type="text"/>	<input type="text"/>	
E. Amount of Restitution	<input type="text"/>	<input type="text"/>	
<b>VII. MISDEMEANOR - DISPOSITIONS</b>			
	<b>CASES</b>	<b>DEFENDANTS</b>	
<b>A. Dispositions</b>			
1. Number of Convictions by Trial	<input type="text"/>	<input type="text"/>	
2. Number of Convictions by Plea	<input type="text" value="6"/>	<input type="text" value="6"/>	
3. Number of Convictions Acquittals	<input type="text"/>	<input type="text"/>	
4. Number of Convictions Dismissals	<input type="text"/>	<input type="text"/>	
<b>B. Sentences</b>			
1. State Prison Imposed	<input type="text"/>	<input type="text"/>	
2. County Jail Imposed	<input type="text"/>	<input type="text"/>	
3. Probation, no Jail Imposed	<input type="text"/>	<input type="text" value="6"/>	
C. Reduction to Misdemeanor	<input type="text"/>	<input type="text"/>	
	<b>AMOUNT ORDERED</b>	<b>AMOUNT COLLECTED</b>	
D. Amount of Fines & Penalty Assessments	<input type="text"/>	<input type="text"/>	
E. Amount of Restitution	<input type="text"/>	<input type="text"/>	
<b>VIII. CIVIL CASES</b>			
	<b>NUMBER</b>	<b>NUMBER OF JUDGMENTS</b>	
A. Cases carried forward on 06/30/15 to FY 15/16	<input type="text" value="3"/>	<input type="text"/>	
B. New Cases filed the reporting period from 07/01/15 through 04/15/16	<input type="text"/>	<input type="text"/>	
C. Total Cases (A+B)	<input type="text"/>	<input type="text"/>	
D. Cases Concluded this reporting period	<input type="text"/>	<input type="text"/>	
E. Judgments	<b>AMOUNT ORDERED</b>	<b>AMOUNT COLLECTED</b>	
1. Restitution	<input type="text"/>	<input type="text"/>	
2. Fines and Penalties	<input type="text"/>	<input type="text"/>	
3. Costs	<input type="text"/>	<input type="text"/>	
<b>IX. SEARCH WARRANTS</b>			
	<b>NUMBER</b>	<b>SUSPECTS</b>	<b>LOCATIONS</b>
A. Non Special Master Search Warrants Issued	<input type="text" value="1"/>	<input type="text" value="1"/>	<input type="text" value="1"/>
B. Special Master Search Warrants	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Total Search Warrants Issued	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>X. OUTREACH TRAINING</b>			
	<b>NUMBER</b>		
A. Number of outreach sessions	<input type="text"/>		
B. Total number of attendees	<input type="text"/>		

**CASE DATABASE**

COUNTY: Humboldt

CASE #	DEFENDANT'S NAME/COMPANY	CONVICTION TYPE	CONVICTION DATE	OPTIONS
DA15-0117	Hover, Brandy Lynn	M	09/23/2016	Edit / Delete
DA15-0072	Koches, Joseph / The Blacksmith Shop	M	08/31/2015	Edit / Delete
DA15-0137	Linin, Zachary	M	01/07/2016	Edit / Delete
DA14-0051	Meyers, Joseph Raymond / Joseph Meyers	M	02/18/2016	Edit / Delete
DA15-0032	Ward, Georgia / Native Construction	M	08/22/2015	Edit / Delete
DA14-0073	White, Richard / CDCR	M	10/01/2015	Edit / Delete

Add Defendant Record

## **COUNTY PLAN PROBLEM STATEMENT**

**Please 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. Please use local data or other evidence to support your description.**

### **Workers' Compensation Problem:**

The areas of Humboldt, Del Norte and Trinity Counties are predominately rural mountainous lands with lush forests and beautiful scenery. Del Norte and Humboldt Counties are coastal areas with salt air and frequently rainy weather. The inland areas are warmer and drier and subject to seasonal fires. These factors lend support to a large industry of contracting trades.

The population serviced under our Fraud Program is approximately 175,000 with a combined area of approximately 8,000 square miles. The unemployment rate for the three counties is between 6.4 and 9.4 %. Historically, the economy was fueled by a large timber and fishing industry that has since diminished significantly, sending many laborers to other markets. Within the community of laborers that remained in our region, competitive pricing gave way to some "corner-cutting" in the work force to decrease overhead and return profitability. One of the corner cutting tactics is that of failing to procure workers' compensation insurance.

We are seeing a consistent and relatively equal flow of incoming fraudulent activity in the areas of Uninsured Employers, Claimant Fraud and Premium Fraud. We recognize Commissioner Jones commitment to combatting Medical Provider Fraud and are implementing those changes to our program accordingly. We have encountered Medical Provider Fraud and found it to effect a number of other fraudulent claims. We agree that Medical Provider Fraud investigations and prosecutions must be a priority.

## **COUNTY PLAN PROGRAM STRATEGY**

**1. Explain how your county plans to resolve the problem stated in your problem statement. Include improvements in your program.**

The Humboldt County District Attorney's Office is committed to our Fraud Program. We are eager to work with local agencies, businesses and community members to identify and prosecute those who commit workers' compensation insurance fraud.

We have learned that community outreach is vital to successful code enforcement. Community members serve an important role in our success simply by being our eyes and ears in the field. We've observed firsthand the effectiveness of public notification regarding our investigations and prosecutions. We intend to continue and increase the level of public notifications to educate the public about fraud and notify them of the services we are providing.

We've noticed an increase of suspected fraud claims by use of the contacts we've made in the field as well as our fraud tip hotline. The transition time of these cases going from inception to conviction is steadily decreasing, and ultimately that is helping our success.

We value a well-trained staff and will continue enriching each team member's understanding of insurance fraud through continued training and practical experience. We actively review cases with consideration about the root problem, and we attempt to address that simultaneously.

Recently we completed the prosecution of an Orthopedic Surgeon practicing within our jurisdiction. The type of fraud alleged in this circumstance is shocking, but minimal when considering the possible ripple effect of preventing fraud with as many as 100 patients insured by both State Comp Insurance Fund and other carriers. The potential fraud that we have stopped or prevented in this case with as many patients and types of fraudulent activity that has occurred is immeasurable, but we would submit that it is a substantial portion of what we request to fund our program or exceed it.

We are still continuing the litigation process of an unfair business practice we filed in the 2014 calendar year. The business is Full Spectrum Services Inc., and the restitution amount determined by the S.C.I.F. investigation is approximately \$699,000.00. This suggested restitution is over three times the funds we request to continue our program. We are expecting resolution of this matter soon.

By way of these large scale investigations, we are able to far exceed our program costs with fines and restitution.

2. **What are your plans to meet any 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? What is your strategic plan to accomplish the goals?**

The goals of the Humboldt County District Attorney's Office are not dissimilar to the goals of the Insurance Commissioner and the Fraud Assessment Commission.

We recognize the importance of combatting Medical Provider Fraud as evident by our recent case history, and are currently investigating and/ or evaluating two other Medical Provider Fraud allegations. We've learned from our prior experience, that Medical Provider Fraud cases can utilize disproportionate quantities of our resources. We understand the importance of these cases, thus have incorporated funding changes, (specifically an increase for expert witness fees), and a plan to free some investigator and prosecutor time to combat these cases.

We believe that developing positive relationships with those in business and our government agencies will allow for more frequent reporting and better understanding of how fraud directly affects everyone. We are committed to being good stewards of the funds provided and ensuring that the resources provided are used wisely. We have tailored our effectiveness to ensure the most efficient investigations and prosecutions. We are committed to continuing our success in this area.

We recognize that performance and continuity of the program is important to the Insurance Commissioner. We believe our program has improved over the last year in effectiveness and we understand that turnover causes backlog due to the extended learning curve in this area of law. It is our intention to retain the public servants that we have to avoid backlog and instability. We are working toward a smoother transition of cases going from the investigation stage to the prosecution stage. We have been working diligently to decrease a small backlog that has occurred, and we plan to be up to date soon.

3. **What goals do you have that require more than a single year to accomplish?**

Our most notable goal is to increase our program's success since our recent program additions. We intend to further focus on our partnerships to improve on the systems we currently and successfully use. We have become more efficient with investigations and prosecutions of large-scale fraud but we recognize that there is room for improvement. We intend to focus on this area of our program so we can more effectively serve our victims, and achieve even greater success in the future. We have noticed a lack of communication between insurance company's defense counsel, and our prosecution team. We believe creating a more successful communication pipeline will be mutually beneficial.

4. **Training and Outreach**

- a. List the training received by each county staff member in the workers' compensation fraud unit during Fiscal Years 2014-2014 and 2015-2016.
- b. Describe what kind of training/outreach you provided in Fiscal Year 2015-2016 to local Special Investigative Units, public and private sectors to enhance the

investigation and prosecution of workers' compensation insurance fraud; and/or coordination with the Fraud Division, insurers, or other entities.

- c. Describe what kind of training/outreach **you plan to provide** in Fiscal Year 2015-2016 to local Special Investigative Units, public and private sectors, to enhance the investigation and prosecution of workers' compensation insurance fraud; and/or coordination with the Fraud Division, insurers, or other entities.

Investigator Martin Morris joined the Fraud Program in October of 2013. Below is a listing of the training he has received in the Fiscal years of 2014-2015 and 2015-2016.

**General:**

09/25/2014- Communication: Keeping Your Edge, 2 hours.  
10/10/2014- Training Manager Course. 32 hours.  
12/11/2014- Drivers Simulator Training, 4 hours  
06/16/2015- Domestic Violence Response, 2 hours  
10/23/2015- Communication: Keeping Your Edge, 2 hours  
10/27/2015- Arrest and Control, (PSP), 4 hours  
10/27/2015- Firearms, (PSP), 4 hours  
10/28/2015- Below 100, (PSP), 2 hours  
10/28/2015- Racial Profiling Update, (PSP), 2 hours  
10/28/2015- Human Trafficking Awareness, (PSP), 4 hours  
12/08/2015- Police Officer Bill of Rights for Supervisors and Managers, 6.5 hours

**Workers' Compensation:**

07/16/2015- Prevailing Wage Seminar 6 hours  
03/23/2016- Counter Attacks of Fighting Fraud. 1 hour  
03/23/2016- Insurance Fraud Financing of Terrorism, 1.25 hours  
03/23/2016- Interviewing Medical Professionals, 2 hours  
03/23/2016- Restitution, Asset Seizure/ Victim Bill of Rights, 2 hours  
03/24/2016- Basic Bankruptcy Investigations, 2 hours  
03/24/2016- Legal Ethics and Technology, 2 hours  
03/24/2016- The Fourth Industrial Revolution, 1 hour  
03/24/2016- Workers Compensation Prosecutions, 2 hours  
03/25/2016- Trends in Medical Fraud, 1.5 hours

**Upcoming Scheduled Training:**

- **10/24/2016- NICB Medical Investigations Academy, 32 hours**

Deputy District Attorney Candace Myers joined our fraud team in September of 2015. Below is a list of the training she has received in the Fiscal years of 2014-2015 and 2015-2016.

**General:**

01/29/2014- Prosecuting Marijuana Cases, 1 Hour  
01/30/2014- Discovery Obligations, 1 Hour  
02/07/2014- DUI Prosecutions, 6.5 Hours

03/13/2014- Prosecutorial Ethics, 1 hour  
06/26/2014- Lifer Hearings, 1 hour  
08/28/2014- Jail and Sentencing Alternatives, 1 hour  
10/23/2014- Rebuttal Arguments, 1 hour  
12/07/2015- Domestic Violence and Stalking Seminar, 16.25 hours

#### Worker's Compensation

03/23/2016- Counter Attacks of Fighting Fraud- 1 hour  
03/23/2016- Interviewing the Medical Professional- 2 hours  
03/23/2016- Insurance Fraud Financing and Terrorism- 1 hour  
03/23/2016- Restitution, Asset Seizure / Collections in Criminal Insurance Fraud Cases- 2 hours  
03/24/2016- Insider Fraud- 2 hours  
03/24/2016- Legal Ethics and Technology- 2 hours  
03/24/2016- Workers' Compensation Prosecution- 2 hours  
03/25/2016- Trends in MediCal Fraud- 1 hour

Regarding outreach for the 2013/2014 fiscal year, we joined as an associate member of the Humboldt Builders Exchange and provided two presentations to that organization. We have also spoken with Building Departments across our three counties and developed an exchange of information to coordinate our enforcement and outreach efforts in the future.

Regarding outreach for the 2014/2015 fiscal year, we spoke at the Redwood Empire Personnel Managers Association on October 28<sup>th</sup>, 2014. We were pleased with that invitation as we were able to speak directly with a large number of those who are involved in the workers compensation system of their prospective agencies. We recognized that we had reached our target audience and plan to continue these types of presentations in the future. We also made several contacts with government agencies that have greatly assisted us with our program.

It is our intention to make multiple presentations to similar groups in the tri-county area, which will specifically interact us with business leaders, and those in the contracting trades. We have also began creating a flyer, which will indicate our goals to deter and prosecute fraud as well as provide our contact information. We intend to create and purchase additional outreach items fitting the same function and complete press releases identifying an enforcement action and, or its outcome.

- i. 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 as the legislative intent specifies.**

Through program evaluation and analysis, we've recently identified some existing barriers to collecting restitution. Typically, payments have been made through accounts set up and paid through the Humboldt County Office of Revenue Recovery. Because restitution paid through Revenue Recovery accounts are often done in installments, it can take several months or years for victims to fully recover. In addition, Revenue Recovery does not send notices to the District Attorney's office when a defendant defaults or fails to pay restitution. In some cases, failure to

comply with restitution payments is not known until the end of the probationary period which could be several years.

In an attempt to remedy these problems, we have established a direct-payment program through the District Attorney's office. Under this program, our office is accepting lump-sum restitution payments, via check or money order, made out to the victim. In turn, our office forwards the restitution payment directly to the victim. This approach has had two immediate benefits: (1) Victims will receive full restitution in a faster, more efficient manner; and (2) our program will be able to better track a defendant's compliance with restitution obligations. This will allow the prosecuting attorney to immediately identify when a defendant has failed to pay restitution as agreed, and determine whether a violation of probation exists. By timely filing a violation of probation in these circumstances, our program can more aggressively gain compliance while also exposing non-compliant defendants to further sanctions.

We are committed to improvement and ensuring long-term exponential success. Recovering full restitution and fines is a vital part of our program, and essential to achieving the ends of justice. We will continue to aggressively pursue restitution and fines in all workers' compensation fraud cases.

**ii. Identify the performance objectives that the county would consider attainable and would have a significant impact in reducing workers' compensation insurance fraud.**

Project:

- a. 20 new investigations will be initiated during FY 2016-2017.
- b. 15 new prosecutions will be initiated during FY 2016-2017.

**7. If you are asking for an increase over the amount of grant funds received last fiscal year, please provide a brief description of how you plan to utilize the additional funds.**

We are indeed seeking additional funds than we were granted the prior fiscal year. The additional requested funds are detailed as follows:

1. We are indeed seeking an additional \$9,012 from what we were awarded last fiscal year. The increase is specifically caused by the increase in compensation of our Investigator. Investigator Martin Morris' total compensation increased by \$15,379, whereas the total compensation of our Prosecutor decreased by \$7,288.
2. With regard to our Operating Expenses, we have decreased our requested allocation of Staff Development and Training Expenses by \$4,000, which is representative of our fiscal 2016/2017 training needs. We have also increased our Expert Witness Expenses by \$2,000 based upon our experience last fiscal year and the goals of the Insurance Commissioner. All other Operating Expenses have remained the same.

**COUNTY PLAN  
PROGRAM STRATEGY (Continued)**

- 8. 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. Describe the county's efforts to address the "uninsured" employer's problem.**

The Humboldt County District Attorney's Office has partnered with a number of regional government agencies as well as private entities to bring attention to the "uninsured" employer problem.

We believe the best approach to minimize an increase in the number of uninsured employers is completed through outreach. We believe this will serve as a force multiplier preventing some employers from failing to obtain workers compensation insurance and reporting those who haven't obtained it at all. We have committed to further increasing our outreach efforts.

It is the intention of the Humboldt County District Attorney's Office to conduct spot checks on contractors and general business for the purpose of ensuring that the employees are covered. The spot checks are well received by the vast majority of local business who understand the necessity. We are in communication with the Department of Industrial Relations (regional office in Redding CA) with the intent on scheduling larger scale business spot checks. In the areas where this is not feasible, we are considering a number of enforcement and outreach tactics.

We have noticed a need for a more evenly distributed outreach and enforcement function across our tri-county area. We've implemented a pin map as a mechanism for better measuring the areas within our tri-county region that require additional outreach and/or investigation. We also believe this will assist in evenly distributing our services as well as show progression of our program, which we will strive to garner data from in the future.



<b>BUDGET CATEGORY AND LINE-ITEM DETAIL</b>	<b>COST</b>
<b>A. Personnel Services - Salaries/Employee Benefits</b>	
District Attorney Investigator (Martin Morris)	\$85,320.00
Benefits:	\$42,630.00
Deputy District Attorney 50% (Candace Myers)	\$37,002.00
Benefits:	\$15,939.00
<b>TOTAL</b>	<b>\$180,891.00</b>

BUDGET CATEGORY AND LINE-ITEM DETAIL	COST
<b>B. Operating Expenses</b>	
Motor Pool:	
\$0.68 X 10,000= \$6,800.00	\$6,800.00
Communications- Mobile Phone (\$71.60 /month) (2 phones)(12 months)= \$1,718.00	\$1,718.00
Staff Development and Training: \$4,000.00	\$4,000.00
Audit Fees: \$900.00	\$900.00
Office Supplies: \$1,000.00	\$1,000.00
Expert Witness: \$6,000.00	\$6,000.00
Outreach: \$1,000.00	\$1,000.00
Indirect/Administrative Cost Allocation: \$7,594.00	\$7,594.00
<b>TOTAL</b>	\$29,012.00

<b>BUDGET CATEGORY AND LINE-ITEM DETAIL</b>	
<b>C. Equipment</b>	<b>COST</b>
<b>CATEGORY TOTAL</b>	0
<b>PROGRAM TOTAL</b>	\$209,903.00
<b>INTEREST TOTAL</b>	

**EQUIPMENT LOG**

Equipment Log for FY 2015-2016  
County of Humboldt

Equipment Ordered	Equipment Cost	Date Ordered	Date Received	Serial Number	Equipment Tag Number

Rows can be inserted as needed.

No equipment purchased.

I certify this report is accurate and in accordance with the approved Grant Award Agreement.

Name: Rachel D Davis

Title: Legal office Business Manager

Signature: RACHELLE DAVIS

Date: 4/13/2016

**Attachment A**

**JOINT INVESTIGATIVE PLAN**

Between

***CALIFORNIA DEPARTMENT OF INSURANCE, FRAUD  
DIVISION***

And

***HUMBOLDT COUNTY DISTRICT ATTORNEY  
DEL NORTE COUNTY DISTRICT ATTORNEY  
TRINITY COUNTY DISTRICT ATTORNEY***

**Fiscal Year 2016-2017**

**INTRODUCTION:**

The parties to this joint plan are the California Department of Insurance Fraud Division, (hereinafter referred to as "Fraud Division"), the Humboldt County District Attorney's Office Fraud Unit, Del Norte County District Attorney's Office and the Trinity County District Attorney's Office.

The parties to this joint investigative plan recognize that the Fraud Division was established to investigate allegations of insurance fraud throughout the State of California and are the primary investigative agency in this field. However, while the Fraud Division is on the northern coast of California, its investigative responsibilities encompass 12 counties in the Workers' Compensation Fraud program and is located 6-7 hours from Humboldt County.

Due to this geographical distance, it is unrealistic to expect investigative assistance from the Fraud Division on a regular basis. This Joint plan will ensure that thorough investigation and prosecution of workers' compensation fraud is addressed.

### **STATEMENT OF GOALS:**

Humboldt County, Del Norte County and Trinity County District Attorney's Offices have established the following Joint Investigative Plan goals for FY 2016-2017:

- Establish an effective and efficient Investigative Fraud Unit within the Humboldt County District Attorney's Office to begin collecting and handling workers' compensation fraud cases occurring within the jurisdictions of Humboldt, Del Norte and Trinity Counties.
- Establish and maintain close working relationships among the Humboldt, Del Norte and Trinity County District Attorney's Offices, and provide mutual assistance in handling the investigation and prosecution of suspected insurance fraud cases.
- Establish and promote a close working relationship with the Fraud Division based on detecting, prosecuting, and deterring fraudulent Workers' Compensation claims.
- Investigate and prosecute, when appropriate, identifiable cases of workers' compensation insurance fraud with a commitment to the standards of professional and ethical conduct.
- Establish public awareness of workers' compensation laws through community outreach with employers, service providers, and community members within the covered jurisdictions.

### **RECEIPT AND ASSIGNMENT OF CASES:**

Present law requires that an insurer who knows or reasonably believes that an act of insurance fraud has been committed report this information to the California Department of Insurance, Fraud Division and the local District Attorney (Insurance Code 1877.3).

- When a suspected fraudulent claim (SFC) or a case referral package is received from an insurer, it will be entered into a database. The parties will maintain a case tracking system to monitor all SFC's and case referral packages.
- Once a case is opened, the parties will coordinate their efforts and establish the role each office will play in the investigation. Investigation responsibilities will be established.

- The parties will communicate regularly to discuss SFC's and cases referrals received to avoid duplication of investigative efforts and to ensure that all referrals are being appropriately addressed. When a case is assigned for investigation, the assigned party will notify the other party of receipt of the referral within a reasonable time.
- The Fraud Division may elect not to pursue an investigation of an SFC due to excessive caseloads. Under such circumstances, the District Attorney may review the referral for potential investigation.

#### **INVESTIGATIONS:**

- The Humboldt District Attorney's Office shall maintain a fraud unit to handle suspected insurance fraud cases. The parties hereby designate the Humboldt fraud unit as the primary prosecution unit for all insurance fraud cases arising within Humboldt, Del Norte and Trinity Counties.
- The Humboldt District Attorney's Office fraud unit shall designate an investigator to handle, review and forward investigative reports of suspected fraud cases to the prosecutor.
- To maximize the efficiency of resources, it is agreed that the parties will provide mutual assistance during investigation when necessary. This may include but is not limited to, serving search warrants, interviewing witnesses, making arrests, etc.
- During the course of investigation, the Investigator may consult with the Deputy District Attorney assigned to the Unit for assistance in evaluating whether criminal prosecution is possible and if further investigative efforts would be necessary.
- Representatives from the Fraud Division and Humboldt District Attorney's Office shall communicate in person or by phone on a monthly basis to review working relationships among the parties.

#### **UNDERCOVER OPERATIONS:**

The parties recognize the importance of undercover investigations in gathering evidence to prove suspected fraud. In cases where joint undercover investigation is necessary, the Parties shall provide mutual assistance to achieve program goals and objectives as stated herein.

#### **INVESTIGATIVE REPORTS:**

- All Fraud Division reports must comply with Penal Code Section 964.
- Investigations of suspected insurance fraud cases shall focus on establishing probable cause for arrest and gathering sufficient evidence for successful prosecution.
- The unit investigator shall provide the prosecutor with a complete investigative report which includes a case summary, an investigation narrative, and all evidence available to prove the alleged violations, a list of witnesses and their contact information, a tabbed index identifying all supporting documents and exhibits, and any other legally relevant documentation necessary for successful prosecution.

#### **PROSECUTIONS:**

- The Humboldt District Attorney's Office shall maintain a fraud unit to handle suspected insurance fraud cases. The parties hereby designate the Humboldt fraud unit as the primary prosecution unit for all insurance fraud cases arising within Humboldt, Del Norte and Trinity Counties.
- The Humboldt District Attorney's Office fraud unit shall designate a Humboldt County Deputy District Attorney to handle, review investigative reports and prosecute insurance fraud cases.
- The prosecutor assigned to the unit reserves the right to exercise prosecutorial discretion to reject a case. The prosecutor shall exercise all prosecutorial functions with professionalism, integrity and strict adherence to all ethical duties and responsibilities as set forth by the respective District Attorney's, the California Rule of Professional Conduct, the ABA Model Rules and California Law.
- The prosecutor shall review investigative reports submitted by the unit investigator and determine whether the case contains all necessary legally sufficient, admissible evidence of the crime to be charged;
- The prosecutor shall consider the probability of conviction by an objective fact-finder hearing the admissible evidence.
- Upon determination that an insurance fraud case should be charged, the prosecutor shall provide a complete charging document to the District Attorney's Office in which jurisdiction is appropriate.
- The prosecutor shall provide a case file to the District Attorney's Office of appropriate jurisdiction, which includes all discovery to be provided to the



defense, a summary of the case and a settlement offer to be conveyed to the defendant.

- The prosecutor shall keep the District Attorney advised of all cases filed in their jurisdiction and advise of all developments in the case. Proposed dispositions in cases shall be approved by the District Attorney before being conveyed to the defendant(s).
- The prosecutor shall keep a record of all insurance fraud cases filed within each covered jurisdiction which shall include the current case status, any future court dates and case disposition. The prosecutor shall make these records available to the District Attorney's upon request.
- The parties shall provide mutual assistance with the prosecution of insurance fraud cases by representing the Unit during court appearances including, but not limited to arraignments, pre-trial hearings, interventions and post-sentencing status reviews.
- The parties shall timely inform the handling prosecutor of all future court dates and significant case developments occurring during court appearances in which the prosecutor is not present.
- The prosecutor shall be responsible for appearing at all significant court dates, including, but not limited to, preliminary hearings, motions to suppress evidence pursuant to Penal Code Section 1538.5, and jury trials.
- Any and all media or public inquiries and/or press releases related to insurance fraud cases shall be directed to the District Attorney's Office of appropriate jurisdiction and/or the Department of Insurance, who shall respond, direct, assign or prepare as needed.

#### **TRAINING:**

The Humboldt Deputy District Attorney and Investigator assigned to the fraud unit may participate in regularly scheduled training sponsored by the California District Attorneys Association, California District Attorney's Investigator Associations, P.O.S.T., and any other such training as may be reasonably necessary and warranted by budget constraints.

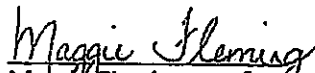
#### **COMMUNITY OUTREACH:**

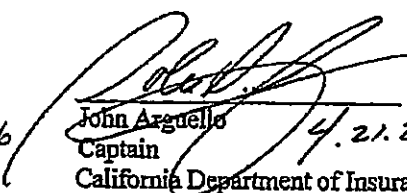
Outreach programs may be implemented by the Humboldt District Attorney's Office to increase referrals from insurers, law enforcement, government agencies, informants, and other members of the public. The parties shall provide


reasonable, mutual assistance to facilitate and increase community outreach efforts within the covered jurisdictions.

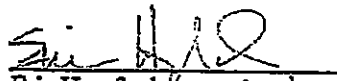
**PROBLEM RESOLUTION:**

It is the intent of this joint plan that any problems or differences that may arise between the parties be resolved at the earliest possible time. In the event they are unable to resolve the dispute, the Deputy District Attorney will meet with the Fraud Division Investigator's immediate supervisor. If the attorney and the supervisor are unable to resolve the dispute, the Supervising Investigator in charge of the Unit shall meet and resolve the matter.

  
Maggie Fleming,  
District Attorney  
County of Humboldt  
April 13, 2016

  
John Arguello  
Captain  
California Department of Insurance  
Fraud Division  
4.21.2016

  
Dale Trigg,  
District Attorney  
County of Del Norte  
04/14/16

  
Eric Heryford  
District Attorney  
County of Trinity  
4/19/16

**INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA**

**GRANT AWARD AGREEMENT**

Fiscal Year 2016-17

**Workers' Compensation Insurance Fraud Program**

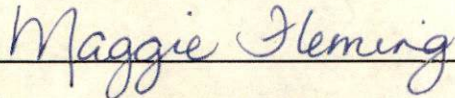
The Insurance Commissioner of the State of California hereby makes an award of funds to **Humboldt**, Office of the District Attorney, in the amount and for the purpose and duration set forth in this grant award.

This grant award consists of this agreement and the application for the grant and made a part hereof. By acceptance of the grant award, the grant award recipient agrees to administer the grant program in accordance with all applicable statutes, regulations, and Request-for-Application (RFA).

**Duration of Grant:** The grant award is for the program period **July 1, 2016** through **June 30, 2017**.

**Purpose of Grant:** This grant award is made pursuant to the provisions of California Insurance Code Section 1872.83 and shall be used solely for the purposes of enhanced investigation and prosecution of workers' compensation insurance fraud cases.

**Amount of Grant:** The grant award agreed to herein is in the amount of **\$200,000**. This amount has been determined by the Insurance Commissioner with the advice and consent of the Fraud Assessment Commission based on the estimated funds collected pursuant to Section 62.6 of the Labor Code. However, the actual total award amount for the county is contingent on the collection of assessments and the authorization for expenditure pursuant to Government Code Section 13000 et seq. The grant award shall be distributed pursuant to Section 1872.83 of the Insurance Code and the California Code of Regulations Subchapter 9, Article 3, Sections 2698.53, 2698.54, and 2698.57.

Official Authorized to Sign for Applicant/Grant Recipient   Name: <b>Maggie Fleming</b> Title: District Attorney  Address: 825 5th Street Eureka, CA 95501  Date: <u>10/25/16</u>	<b>DAVE JONES</b> Insurance Commissioner  Name: <b>George Mueller</b> Title: Deputy Commissioner  Date: _____
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I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.

\_\_\_\_\_  
Crista Hill, Budget Officer, CDI

\_\_\_\_\_  
Date