

Workers' Compensation Fraud

DESCRIPTION OF MAJOR SERVICES

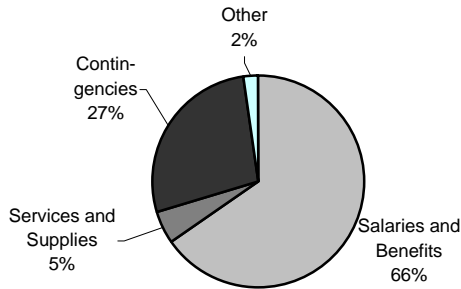
The Department of Insurance, pursuant to Section 1872.83 of the California Insurance Code, distributes funds to the District Attorney's Office for the investigation and prosecution of Workers' Compensation Insurance Fraud. These assessed funds represent a percentage of the total premiums collected by workers' compensation insurance companies and are distributed to investigate and prosecute workers' compensation fraud claims or claims relating to the willful failure to secure the payment of workers' compensation. Of all money collected by the state, 56% is retained by the state for fraud investigation and 44% is distributed statewide to District Attorney offices through a grant program. This budget unit administers those funds.

BUDGET AND WORKLOAD HISTORY

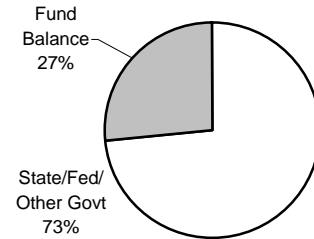
| | Actual 2003-04 | Budget 2004-05 | Actual 2004-05 | Budget 2005-06 |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| Appropriation | 870,434 | 961,538 | 934,925 | 1,410,760 |
| Departmental Revenue | 589,850 | 950,000 | 1,292,555 | 1,035,800 |
| Fund Balance | | 11,538 | | 374,960 |
| Budgeted Staffing | | 7.0 | | 7.0 |

Actual expenditures are less than budgeted appropriation due to salaries and benefits savings. Budgeted revenue in 2005-06 is increased to reflect the department's planning budget, which has already been approved by the state. The revenue increase will be offset by an increase in salaries and benefits due to increased retirement costs, workers' compensation expense, and vehicle charges.

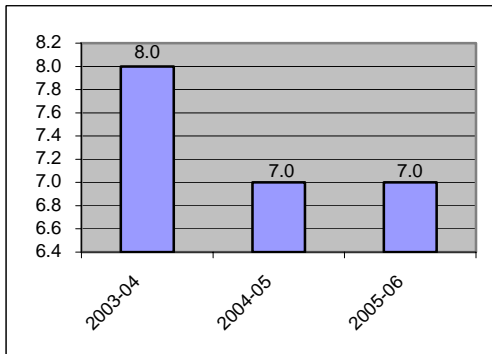
2005-06 BREAKDOWN BY EXPENDITURE AUTHORITY



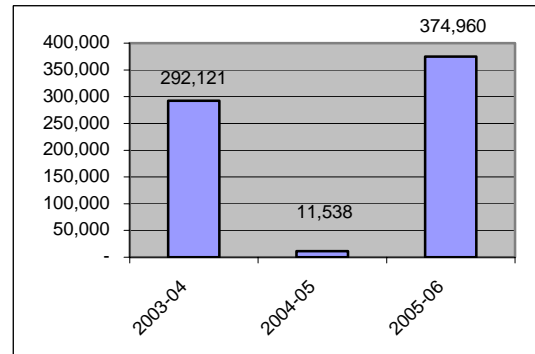
2005-06 BREAKDOWN BY FINANCING SOURCE



2005-06 STAFFING TREND CHART



2005-06 FUND BALANCE TREND CHART



GROUP: Law & Justice
DEPARTMENT: District Attorney
FUND: Workers Comp Insurance Fraud

BUDGET UNIT: ROB DAT
FUNCTION: Public Safety
ACTIVITY: Workers Comp Insurance Fraud

| | 2004-05 Actuals | 2004-05 Final Budget | 2005-06 Board Approved Base Budget | 2005-06 Board Approved Changes to Base Budget | 2005-06 Final Budget |
|-----------------------------|--------------------|-------------------------|--|--|-------------------------|
| Appropriation | | | | | |
| Salaries and Benefits | 807,482 | 837,996 | 892,474 | 27,628 | 920,102 |
| Services and Supplies | 79,023 | 75,267 | 76,687 | (7,769) | 68,918 |
| Central Computer | 3,836 | - | 4,165 | - | 4,165 |
| Equipment | 7,142 | - | - | - | - |
| Transfers | 37,442 | 31,699 | 31,699 | (932) | 30,767 |
| Contingencies | - | 16,576 | 16,576 | 370,232 | 386,808 |
| Total Appropriation | 934,925 | 961,538 | 1,021,601 | 389,159 | 1,410,760 |
| Departmental Revenue | | | | | |
| Fines and Forfeitures | 230,596 | - | - | - | - |
| Use of Money and Prop | 1,747 | - | - | 2,000 | 2,000 |
| State, Fed or Gov't Aid | 1,060,212 | 950,000 | 950,000 | 83,800 | 1,033,800 |
| Total Revenue | 1,292,555 | 950,000 | 950,000 | 85,800 | 1,035,800 |
| Fund Balance | | 11,538 | 71,601 | 303,359 | 374,960 |
| Budgeted Staffing | | 7.0 | 7.0 | - | 7.0 |

DEPARTMENT: District Attorney
FUND: Workers Comp Insurance Fraud
BUDGET UNIT: ROB DAT

BOARD APPROVED CHANGES TO BASE BUDGET

| Brief Description of Board Approved Changes | Budgeted Staffing | Appropriation | Departmental Revenue | Fund Balance |
|---|----------------------|----------------|-------------------------|----------------|
| 1. Increase Salaries and Benefits Increased costs for benefits and step increases of \$26,828. | - | 27,628 | - | 27,628 |
| ** Final Budget Adjustment - Mid Year Item Increase in costs of \$800 related to the Clerical Classification Study approved by the Board on April 5, 2005 #67. This increase in cost resulted in an increase in revenue of \$800. | | | | |
| 2. Reduce Service and Supplies Reduce general office expenses to allow for direct billing of ISD 2410 charges and increase in Risk Management Premiums. ISD now directly bills this budget unit for 2410 charges. In prior years, charges were billed to the DA's general fund budget and department staff would make monthly adjustments. The direct billing of the 2410 charges is reflected in "Cost to Maintain Current Program Services." | - | (7,769) | - | (7,769) |
| 3. Reduce Transfers Reduction in transfer for rent based on recalculation of actual space occupied by unit staff | - | (932) | - | (932) |
| 4. Increase Contingencies Lower than budgeted expenditures in 2004-05, combined with estimated increased revenue, will increase contingencies in 2005-06 by \$19,399. | - | 370,232 | - | 370,232 |
| ** Final Budget Adjustment - Fund Balance Increase in Contingencies of \$350,833 due to a higher fund balance than anticipated. | | | | |
| 5. Increase Revenue Dept of Insurance provides a planning budget upon which the department builds its application. The planning budget amount was increased over 2004-05 and used for the department's budget. The department has also included interest income in its revenue projections this year. | - | - | 85,800 | (85,800) |
| Total | - | 389,159 | 85,800 | 303,359 |

**** Final Budget Adjustments were approved by the Board after the proposed budget was submitted.**

