

**STATE OF CALIFORNIA  
FRAUD ASSESSMENT COMMISSION**

**Summary Meeting Minutes  
Sacramento, California  
June 29, 2022**

This meeting was a hybrid meeting with the option for the public to attend in person or via teleconference. Commissioners personally in attendance: Jay R. Bobrowsky, Vice-Chairperson; Christine Baker, Branden Lopez, and John Riggs.

Others present: George Mueller, Deputy Commissioner (DC), California Department of Insurance (CDI) Enforcement Branch; Eric Charlick, Division Chief, and Victoria Martinez, Assistant Chief, CDI Fraud Division.

Yvonne Hauscarriague, Senior Staff Counsel, CDI Government Law Bureau attended via teleconference.

**I. Fraud Assessment Commission**

Vice-Chairperson Bobrowsky opened the meeting at 10:31 am.

**a. Opening Remarks**

Vice-Chairperson Bobrowsky stated that in his review of the Workers' Compensation grant applications he looked for balanced caseloads, provider and premium fraud cases, restitution ordered, outreach, and continuity of staffing.

Commissioner Baker agreed with Commissioner Bobrowsky. Commissioner Riggs stated that as the pandemic restrictions are waning, outreach needs to be brought back as a priority. Commissioner Lopez thanked all involved with the Review Panel, CDI and the DAs for their work in fighting fraud. He would like to see ongoing collaboration with SIU, DAs, and CDI on how to put cases together and what are the trending issues to pursue.

Commissioner Bobrowsky announced all voting will be done by roll call and persons making any motions or seconding should identify themselves.

**b. Approval of the Summary Meeting Minutes**

**Motion**

Commissioner Riggs made a motion to accept the summary minutes as submitted for the FAC Meeting on September 15, 2021. Commissioner Baker seconded the motion.

## **Action**

A roll call vote was taken and the Commissioners unanimously approved the summary meeting minutes.

### **c. Sub-Committee Report on the Application Process**

It was noted that this year's application reviews utilized CDI's online system, GMS. Vice-Chairperson Bobrowsky stated he enjoyed the online process and is looking forward to the new online statistical reporting system.

### **d. Public Comments**

The floor was opened for public comments and there were none.

## **II. Enforcement Branch Update**

### **a. Funding Process and Recommendations**

DC Mueller began by recognizing the Enforcement Branch, Local Assistance Unit staff for all of the work they put into the Workers' Compensation Application Review Process.

DC Mueller stated that, per the California Code of Regulations, the Insurance Commissioner convenes a Review Panel. This year's panel convened on June 15, 2022, and the review panelists were: FAC Chair Don Marshall; FAC Vice Chair Jay Bobrowsky, in absentia and represented by John Riggs of the FAC; William Murphy, designee for the Director of the Department of Industrial Relations (DIR); Lt. Matthew Dunford of the CHP as an expert in consumer crimes designated by the Insurance Commissioner; and Assistant Chief Victoria Martinez representing CDI. The Review Panel's funding recommendations were presented to the Insurance Commissioner for his determination on the most effective distribution of funds.

DC Mueller noted that on September 15, 2021, the FAC determined a funding level of \$85,700,386 with \$50,545,239 to be available for distribution to District Attorneys (DAs) for Fiscal Year (FY) 2022-23. This year the Department received 35 applications representing 45 counties, requesting \$54,438,494 which is \$3,893,255 more than the available funding.

It was noted that this was the first year Counties submitted their applications electronically using the new Grant Management System, GMS.

DC Mueller continued with the overview of the Funding Recommendation Process. On June 16, 2022, Deputy Commissioner Mueller and Assistant Chief Martinez met with the Insurance Commissioner to review the funding recommendations submitted by the

Review Panel. The Commissioner went through the Review Panel's recommendations along with the advice from the Fraud Division. During this time, a number of questions were asked and answered. The result was the Commissioner made five modifications to the Review Panel's recommendations. The changes are:

Fresno	\$1,345,641	to	\$1,357,510
Los Angeles	\$9,800,559	to	\$9,788,678
Orange	\$7,030,609	to	\$7,018,728
San Diego	\$7,011,264	to	\$6,999,383
Tulare	\$636,226	to	\$660,000

DC Mueller presented the letter from the Insurance Commissioner, which includes the funding award chart, to the FAC Commissioners for their advice and consent. He additionally noted that copies would be available to the public following the meeting by sending an email request to [LAU@insurance.ca.gov](mailto:LAU@insurance.ca.gov).

DC Mueller read the letter in which the Insurance Commissioner expressed his sincere appreciation for the contributions made by the DAs in the battle against Workers' Compensation fraud. DC Mueller then read all of the county funding awards listed in the funding determination chart attached to the letter.

DC Mueller informed the Commissioners that the Insurance Commissioner's Review Panel made a recommendation for the pro-rata distribution of any FY 2021-2022 funds determined to be available at the year-end and the Insurance Commissioner has agreed with this recommendation. Any distribution is contingent upon budget authority.

DC Mueller asked the Commissioners if they had any comments or questions and there were none.

#### **b. Administrative Update**

DC Mueller called upon Assistant Chief Martinez to give an update on the new on-line statistical reporting system, GCMS. Chief Martinez stated that CDI's IT Division is working on GCMS and it is planned to be released next year, for the FY 2024-25 application.

#### **c. Public Comments**

The floor was opened for public comments and there were none.

### **III. Advice and Consent from the FAC**

Vice-Chairperson Bobrowsky asked if there was a motion to consent to the Insurance Commissioner's funding recommendation.

## **Motion**

Commissioner Riggs made a motion to accept the Insurance Commissioner's funding determinations. Commissioner Baker seconded the motion.

## **Action**

A roll call vote was taken and the Commissioners unanimously voted to accept the Insurance Commissioner's funding determinations.

The floor was opened the for public comments and there were none.

## **IV. Other Business**

### **a. Next Scheduled Meetings**

Vice-Chairperson Bobrowsky announced that the next meetings are scheduled for September 7 and September 14, 2022 in Sacramento at the CDI Enforcement Branch Headquarters; currently these are planned to be hybrid meetings with the option for the public to attend in person or via teleconference.

## **V. Public Comment**

Vice-Chairperson Bobrowsky opened the floor to the public for questions or comments.

Bruce Wick, Director of Risk Management with Housing Contractors of California, thanked employers for the funding; the anti-fraud efforts make a difference in the communities. He encouraged the DAs to balance Provider, Premium and Claimant fraud work.

## **VI. Closing Remarks**

Vice-Chairperson Bobrowsky asked the Commissioners for closing remarks; he began with thanking all for their hard work and thanking employers for their funding. Commissioner Baker seconded those comments and encouraged the counties to use the support and data analytics available to them. Commissioner Riggs commented that, coming out of this pandemic, he is looking forward to renewed outreach. Commissioner Lopez stressed the importance of the next meeting and the important job to determine the assessment. Commissioner Lopez stated he was concerned that inflation will impact the future assessment. The current \$85 million is minimal to employers and a minor overhead cost, with a tremendous effect on the enforcement of insurance fraud and the ability to fight the fight.

There being no more comments, Vice-Chairperson Bobrowsky then asked for a motion to adjourn the meeting.

**Motion**

Commissioner Lopez made a motion to adjourn the meeting Commissioner Baker seconded the motion.

**Action**

A roll call vote was taken and the Commissioners unanimously approved the motion. The meeting adjourned at 11:06 a.m.