

**STATE OF CALIFORNIA  
FRAUD ASSESSMENT COMMISSION**

**Summary Meeting Minutes  
Sacramento, California  
June 28, 2023**

Pursuant to SB-189 approved by Governor Gavin Newsom on June 30<sup>th</sup>, 2022, this meeting was a hybrid meeting with the option to attend in person or via Zoom Video Conferencing services with options to participate online and via telephone.

Commissioners personally in attendance: Vice-Chairperson Jay R. Bobrowsky and Dan Calamuci. Commissioners attending via Zoom: Chairperson Don Marshall, and Branden Lopez.

Others present: George Mueller, Deputy Commissioner (DC), California Department of Insurance (CDI) Enforcement Branch; Eric Charlick, Division Chief, Victoria Martinez, Assistant Chief, CDI Fraud Division, and Yvonne Hauscarriague, Senior Staff Counsel, CDI Government Law Bureau.

**I. Fraud Assessment Commission**

Chairperson Marshall opened the meeting at 10:30 am.

**a. Opening Remarks**

Chairperson Marshall advised the emergency order exempting in-person attendance expires this month and this is likely the last hybrid meeting. Handouts are available by emailing LAU at [LAU@insurance.ca.gov](mailto:LAU@insurance.ca.gov). All votes will be roll-call votes. He introduced the new FAC member, Dan Calamuci.

Commissioner Calamuci introduced himself. He's been with the Northern California Carpenter's Union for the past 16 years.

Commissioner Lopez welcomed Commissioner Calamuci. He will have specific comments later.

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

**Motion**

Commissioner Bobrowsky made a motion to accept the summary minutes as submitted for the FAC Meeting on January 11, 2023. Commissioner Lopez seconded the motion.

## **Action**

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

### **c. Report on the FAC participation in the CDI's Commissioner's Workers' Compensation Review Panel**

Commissioner Bobrowsky thanked the LAU team for their work preparing for the panel. He is happy with the results of the review panel meeting.

Commissioner Marshall also thanked LAU and stated the new format makes the review easier. He thanked the counties for their time and effort put into their applications.

### **d. Public Comments**

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

## **II. Enforcement Branch Update**

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

DC Mueller began by recognizing the Enforcement Branch and 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 14, 2023 in a hybrid meeting, and the review panelists were: FAC Chair Don Marshall; FAC Vice Chair Jay Bobrowsky, William Murphy, designee for the Director of the Department of Industrial Relations (DIR); David Goldberg, retired CDI Captain 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 14, 2022, 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) 2023-24. This year the Department received 34 applications representing 44 counties, requesting \$55,089,671 which is \$4,544,432 more than the available funding.

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

On June 21, 2023, 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 two modifications to the Review Panel's recommendations. The changes are:

Orange	\$7,868,944	to	\$7,742,740
Riverside	\$3,468,141	to	\$3,594,345

DC Mueller informed the Commissioners that the Insurance Commissioner's Review Panel made a recommendation for the pro-rata distribution of any FY 2022-2023 funds determined to be available at the year-end. The Insurance Commissioner has agreed with this recommendation. Any distribution is contingent upon budget authority.

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).

The letter from the Insurance Commissioner was read aloud along with all of the county funding awards listed in the funding determination chart.

DC Mueller asked the Commissioners if they had any comments or questions.

Chairperson Marshall stated the minimal changes in the funding makes him feel good that their funding recommendations were on target with the Commissioners goals and objectives. Vice-Chairperson Bobrowsky agreed with Marshall. Commissioner Calamuci praised the hard-work of CDI and the Review Panel.

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

DC Mueller advised CDI is working on phase two of the digital grant management system which will be a Grant Case Management System, GCMS. CDI's IT Division is working on GCMS and it is planned to be released next year. DC Mueller stated CDI continues to hire new staff to try and fill vacancies.

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

The floor was opened the for public comments.

William Murphy advised the DIR is here to help DA Offices as needed.

Commissioner Lopez stated outreach to more industries could generate more referrals. Also publishing successful prosecutions via press releases is a great deferral.

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

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

#### **Motion**

Vice-Chairperson Bobrowsky made a motion to accept the Insurance Commissioner's funding determinations. Commissioner Lopez seconded the motion.

#### **Action**

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

##### **a. Public Comments**

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

### **IV. Other Business**

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

Chairperson Marshall announced that the next meetings are scheduled for September 6, 2023 and September 13, 2023, in Sacramento at the CDI Enforcement Branch Headquarters; currently these are planned to be in-person meetings. Marshall reminded the commissioners that CDI provides their Annual Report at the September 7<sup>th</sup> meeting, and would appreciate any input from the commissioners.

#### **b. Public Comments**

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

### **V. Public Comment**

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

## **VI. Closing Remarks**

Vice-Chairperson Bobrowsky stated that premium fraud undercuts the marketplace and that continuity of staffing is very important as it takes on average 3 years to learn the program. He agreed with Commissioner Lopez that there are different types of outreach that should be considered. Santa Clara's Workers' Exploitation taskforce does an excellent job at outreach.

Commissioner Calamuci stated his experience in his labor union leads him to recognize the importance of combating WC insurance fraud.

Commissioner Lopez brought up that last year the topic of possible legislative changes was mentioned with no further action; CDI Legal Counsel responded: based on the authorizing statute, making legislative proposals is beyond the scope of the FAC's authority. If members of the commission in their individual personal or professional capacities, but not in their capacity as an FAC commissioner, wish to propose legislation, they may do so in the same manner as any other member of the public.

Chairperson Marshall stated that the WCRB is continuing their work to reevaluate the legislation on changing the X-mod ratings after Claimant Fraud has been proven.

There being no more comments, Chairperson Marshall asked for a motion to adjourn the meeting.

### **Motion**

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

### **Action**

A roll call vote was taken and the Commissioners unanimously approved the motion. The meeting adjourned at 11:18 a.m.