

**STATE OF CALIFORNIA  
FRAUD ASSESSMENT COMMISSION**

**Summary Meeting Minutes  
Sacramento, California  
January 12, 2022**

Pursuant to Assembly Bill 361, this meeting was held via teleconference. In attendance: Don Marshall, Chairperson; and Commissioners Christine Baker, Jay R. Bobrowsky, Branden Lopez, John Riggs, and Joel Sherman.

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; and Patricia Hein, Assistant Chief Counsel, and Yvonne Hauscarriague, Senior Staff Counsel, CDI Government Law Bureau.

**I. Fraud Assessment Commission**

**a. Opening Remarks**

Chairperson Marshall opened the meeting at 10:35 am and wished everyone a Happy New Year. He acknowledged the passing of former CDI Nancy Kinkaid-Goldberg, Press Secretary and Communications Director with CDI and recognized her past efforts in support of the Commission. He then asked the Commissioners if they wished to make opening comments. Commissioner Riggs also wished everyone a Happy New Year. Commissioner Sherman expressed his appreciation for the work accomplished by the Commission and explained that this would be his last meeting as he was retiring from his employer and resigning from the Commission. Chairperson Marshall expressed his appreciation for Commissioner Sherman's efforts.

Chairperson Marshall then turned the meeting over to Ms. Hauscarriague to proceed with the election of the FAC Chair and Vice-Chair.

**b. Election of the FAC Chair and Vice-Chair**

Ms. Hauscarriague read aloud the basic rules that govern the election process. The FAC Chair and Vice-Chair will serve through January, 2023. Ms. Hauscarriague then asked each Commission Member if they intended to run for Chair.

Commissioner Marshall indicated that he would like to run for Chair. The remaining Commissioners declined to run for the position.

Ms. Hauscarriague then requested that Commissioner Marshall introduce himself and his platform regarding the Chair position for the upcoming year.

Commissioner Marshall thanked the Commissioners for their support, he acknowledged the efforts of last year's subcommittee in updating the Goals & Objectives, and the work done in addressing insurance fraud, especially the cost drivers, such as premium and provider fraud.

### **Public Comment**

Ms. Hauscarriague opened the floor to for public comments.

Bruce Wick, Director of Risk Management with Housing Contractors of California, indicated his support of Commissioner Marshall's leadership and expressed appreciation to Commissioner Sherman for the concern and oversight of employer money he expressed when discussing assessments.

There being no other comments, Ms. Hauscarriague moved to the vote.

### **Vote**

Ms. Hauscarriague took a roll call vote for the Chairperson position. The vote was unanimous that Chairperson Marshall continues as Chair for the upcoming year. Chairperson Marshall thanked the other Commissioners for their votes.

Ms. Hauscarriague then asked each Commissioner if they intended to run for the Vice-Chair position. Commissioner Bobrowsky indicated that he would like to run for Vice-Chair and the rest of the Commissioners declined.

Ms. Hauscarriague then requested that Commissioner Bobrowsky introduce himself and his platform regarding the Vice-Chair position for the upcoming year.

Commissioner Bobrowsky thanked Commissioner Sherman for his service. He commented on the importance of fighting workers' compensation fraud in order to maintain the integrity of the system, deliver the message that it is wrong, and seek restitution for injured parties.

### **Public Comment**

Ms. Hauscarriague opened the floor to for public comments. Bruce Wick expressed his support for Commissioner Bobrowsky. There being no other comments, Ms. Hauscarriague moved to the vote.

### **Vote**

Ms. Hauscarriague took a roll call vote for the Vice-Chair position. The vote was unanimous that Vice-Chair Bobrowsky continues as Vice-Chair for the upcoming year.

Ms. Hauscarriague turned the meeting over to Chairperson Marshall.

### **c. Approval of the Summary Meeting Minutes**

#### **Motion**

Commissioner Lopez 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.

### **d. FAC Goals and Objectives**

Chairperson Marshall referred the Commissioners to a draft version of the FAC Goals and Objectives for the Workers' Compensation Insurance Fraud Program for Fiscal Year (FY) 2022-23. The Commissioners were asked for comments and there were none.

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

#### **Motion**

Commissioner Bobrowsky made a motion to accept the draft version of the FY 2022-23 FAC Goals and Objectives and Commissioner Lopez seconded the motion.

#### **Action**

A roll call vote was taken and the Commissioners unanimously approved the Goals and Objectives for FY 2022-23

### **e. FAC Representatives for the Workers' Compensation Grant Review Panel**

Chairperson Marshall confirmed with CDI the date of the review panel meeting which will be June 15<sup>th</sup>; and that the FAC Advise and Consent meeting will be on June 29<sup>th</sup>.

Chairperson Marshall explained that the FAC contributes two members to the Insurance Commissioner's review panel of five that makes funding recommendations to the Insurance Commissioner.

Chairperson Marshall asked each Commissioner if they were interested in representing the FAC on the Panel. Commissioner Bobrowsky expressed his interest in sitting on the panel. There being no interest expressed by the other Commissioners, Chairperson Marshall indicated that he would serve as the second panelist.

## **f. Public Comment**

Chairperson Marshall opened the floor for public comments. There being none, he moved to the next agenda item and turned the meeting over to DC Mueller.

## **II. Enforcement Branch Update**

### **a. Administrative Update**

DC Mueller provided a personnel update which summarized changes in sworn staff positions, candidates in background, and recruitment efforts.

DC Mueller indicated that disaster relief and outreach continues to be a primary focus of Insurance Commissioner Lara and EBHQ. He highlighted the joint outreach efforts by CDI and counties through participation in Fraud Awareness Week and the distribution of a consistent message using social media.

### **b. Department of Industrial Relations Assessment Collection for FY 2022-23**

DC Mueller referred to Labor Code Section 62.6 and Insurance Code Section 1872.83 and indicated that CDI would send, on behalf of the FAC, a request to the Department of Industrial Relations to collect \$85,700,386, the amount of the aggregate assessment, for FY 2022-23.

DC Mueller further explained that, CDI determined that there was unspent and/or additional funding available and the Enforcement Branch received budget authority to augment District Attorney funding with an additional \$2,564,000 for the current FY 2021-2022. These funds were distributed on a pro-rata basis. No funds will be used to offset collections.

### **c. Insurance Fraud Programs**

DC Mueller explained that, starting with the fiscal Year 2022-2023 grant-cycle, CDI has adopted an online Grant Management System (GMS) and counties will be able to prepare and submit their applications on line. He indicated that a letter was being sent to California's 58 District Attorney Offices announcing the changes and he provided the following dates:

- February 16, 2022                      Funding Announcement will be published
- April 27, 2022                            County applications due by 5:00 pm
- February 22, 2022                      DA Informational Webinar
- March 15, 17, 23, 2022                Grant Training Workshops as online meetings

#### **d. Insurance Commissioner's WC Grant Review Panel Meeting**

DC Mueller announced that the Insurance Commissioner's Grant Review Panel meeting is scheduled to will take place in-person on June 15, 2022, in Sacramento.

DC Mueller asked the Commissioners if they had any questions or comments. Chairperson Marshall inquired about vacancy rates and DC Mueller responded. Commissioner Bobrowsky inquired about recruitment and the impact of COVID on the court system; DC Mueller responded with status overview.

#### **f. Public Comment**

The floor was then opened to the public for comment. There being none, Chairperson Marshall moved to the next agenda item and turned the meeting over to the first speaker, Dominic Dugo representing the Coalition Against Insurance Fraud.

### **III. Coalition Against Insurance Fraud**

#### **a. Speaker**

Mr. Dugo indicated that the Coalition was formed in 1993, that it is the nation's only alliance uniting all groups against insurance fraud, and it is made up of more than 250 member organizations. Consumers, insurers, government agencies, legislators, prosecutors and other committed partners come together to fight all forms of insurance fraud, reduce costs for consumers and insurers, and promote fairness and integrity in the insurance system.

Mr. Dugo explained that the Coalition conducts outreach campaigns to educate consumers to defend against scams, advocates to enact strong state anti-fraud laws, undertakes research on fighting insurance fraud, addresses courts through legal briefs, and works with partner anti-fraud groups to lower insurance-fraud harm.

Mr. Dugo encouraged CDI and the District Attorney Offices to take advantage of the many benefits the Coalition has to offer, especially in the areas of outreach resources and legal support.

Mr. Dugo asked the Commissioners if they had any questions or comments. Chairperson Marshall and Commissioners Bobrowsky and Sherman commented on the value of the Coalition and thanked Mr. Dugo for his continued efforts in fighting insurance fraud.

#### **b. Public Comment**

The floor was then opened to the public for comment. There being none, Chairperson Marshall moved to the next agenda item and turned the meeting over to the second speaker, William Murphy, Assistant Chief Counsel with the Department of Industrial Relations' Anti-Fraud Unit.

#### **IV. Department of Industrial Relations**

##### **a. Speaker**

Mr. Murphy commented that the Department of Industrial Relations (DIR) works to identify, combat and prevent fraud that affects California's workers. One aspect of fraud occurs when unscrupulous medical providers abuse injured workers in the workers' compensation system.

Mr. Murphy further indicated that the Anti-Fraud Unit deals with suspending any physician, practitioner, or provider from participating in the Worker's Compensation system, per Labor Code § 139.21 and staying liens of criminally charged providers, per Labor Code § 4615.

Mr. Murphy further explained that the Anti-Fraud Unit researches and identifies workers' compensation fraud activities through data analytics. He commented that the Unit works collaboratively with other law enforcement agencies to discover patterns of fraud, determine relationships among participants, and discover the extent of fraudulent treatment and billing schemes. Mr. Murphy encouraged District Attorney Offices to also take advantage of the data resources and expertise available.

Mr. Murphy asked the Commissioners if they had any questions or comments. Commissioner Baker commented on the work the Anti-Fraud Unit does and highlighted some of the available data analytics and how the data can be queried to address various criteria. Chairperson Marshall indicated that the Anti-Fraud Unit was created while Commissioner Baker was the Director of DIR. Commissioner Bobrowsky asked if their data analytics were capturing trends in tele-health and Mr. Murphy responded that they are looking at nationwide trends. Commissioner Baker commented on the growth of tele-health in the COVID environment and the possible need to look for trends.

##### **b. Public Comment**

The floor was then opened to the public for comment. There being none, Chairperson Marshall moved to the next agenda item.

#### **V. Other Business**

Chairperson Marshall announced that the next meeting is scheduled for June 29<sup>th</sup> in Sacramento at the CDI Enforcement Branch Headquarters.

#### **VI. Public Comment**

Chairperson Marshall opened the floor to the public for questions or comments and there were none.

#### **VII. Closing Remarks**

Chairperson Marshall then asked the Commissioners for closing remarks. Commissioners Bobrowsky, Baker, Riggs, and Marshall thanked Commissioner Sherman for his service on the Commission. Commissioners Baker and Riggs congratulated Commissioners Marshall and Bobrowsky on their reelection. Commissioner Sherman thanked the Commissioners for their continued efforts.

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

**Motion**

Commissioner Sherman made a motion to adjourn the meeting. Chairperson Bobrowsky seconded the motion.

**Action**

A roll call vote was taken and the Commissioners unanimously approved the motion. The meeting adjourned at 12:05 p.m.