

**STATE OF CALIFORNIA
FRAUD ASSESSMENT COMMISSION**

**Summary Meeting Minutes
Sacramento, California
November 19, 2025**

This meeting was a hybrid meeting with the option for the public to attend in person or via teleconference. Commissioners personally in attendance: Chairperson Jay Bobrowsky, Vice-Chairperson Branden Lopez, and Commissioners Dan Calamuci, Joseph Carresi, Tim Cloney, and Tyrone Spears.

Others present: Eric Charlick, Deputy Commissioner, California Department of Insurance (CDI) Enforcement Branch; Andrew Gulcher, Division Chief, CDI Investigation Division and Victoria Martinez and Felicia Lieb, Deputy Chiefs, CDI Fraud Division.

Yvonne Hauscarriague, Senior Staff Counsel, CDI Government Law Bureau, Shawn Conner and Eric Williams, Deputy Chiefs, CDI Fraud Division attended via teleconference.

I. Fraud Assessment Commission

Chairperson Bobrowsky opened the meeting at 10:30 am. Chairperson Bobrowsky read the process to request documents presented today by emailing LAU.

a. Opening Remarks

Chairperson Bobrowsky asked if any Commissioners had opening remarks. There were none from the other Commissioners.

Chairperson Bobrowsky thanked LAU for setting up the room for the meeting.

b. Approval of the Summary Meeting Minutes

Chairperson Bobrowsky proceeded to ask the Commissioners to review the meeting minutes from the November 12, 2025 meeting.

Commissioner Carresi asked for a correction to the spelling of Arunas Sodonis's name on page 4.

Motion

Commissioner Spears made a motion to accept the minutes, with the correction to Attorney Sodonis's name spelling. Commissioner Cloney seconded the motion.

Action

The update to the meeting minutes were unanimously accepted via a roll call vote. LAU Analyst, Jennifer Tran, updated the meeting minutes to reflect the correction and reprinted them for the Commissioners and in person attendees.

c. Public Comments

Chairperson Bobrowsky asked if there were any public comments and explained the process for participants to make comments. There were no public comments. He then turned the meeting over to Deputy Commissioner (DC) Eric Charlick of the Enforcement Branch.

II. Enforcement Branch

a. Administrative Update

DC Charlick advised that after careful consideration he has decided to return to the Deputy Chief role within the Enforcement Branch. During the transition he will serve as the Fraud Division Chief through November 27th.

DC Charlick asked the Commissioners if they had any questions on the annual report or if they wanted to see anything else to let us know now or at future meetings.

Vice-Chairperson Lopez advised he would like a list of carriers that file FD-1s and for those carriers, can CDI identify the types of referrals they send, along with a list of all WC carriers authorized to do business in California. DC Charlick advised he will have to see if that is information CDI can provide. Commissioner Cloney advised there are 650 primary carriers and there are some subsidiary carriers.

Chairperson Bobrowsky asked if Yvonne Hauscarriague could weigh in on information being provided ahead of a meeting. Ms. Hauscarriague said that information cannot be provided to the Commissioners ahead of a meeting and has to be presented at the meeting due to the Bagley-Keene Act. As for a list for WC carriers in CA, the CDI website has that information.

Vice-Chairperson Lopez asked DC Charlick additional questions: Under what circumstances would an insurance carrier be audited by CDI? Can CDI explain the auditing process for WC insurance carriers, specifically as it relates to fraud reporting or SIU performance? Are Special Investigation Units (SIUs) audited for compliance with minimum standards? What accountability or enforcement mechanisms exist when an insurance carrier fails to submit an FD-1 despite having information that should reasonably trigger a referral? From CDI's perspective, is there a practical incentive for a carrier not to submit FD-1 referrals because doing so may subject them to additional scrutiny or auditing? If so, does CDI track patterns that might reflect under-reporting?

DC Charlick advised those questions would be best answered by our SIU unit and asked Vice-Chairperson Lopez to email his questions to LAU so we may address them at the next FAC meeting.

Commissioner Cloney asked if CDI has the first right of refusal. DC Charlick advised WC referrals are required to be dual reported, so both CDI and the DAs receive the same referrals. Commissioner Cloney advised he heard of an issue where a DA and CDI were both investigating a case. DC Charlick advised we have joint plans with the DA offices and there is communication in place to prevent duplicative efforts.

CDI is requesting the FAC Commissioners keep the assessment at the current level of \$89,985,405. DC Charlick asked if the Commissioners had any questions.

b. Potential Assessment Split**

This topic was not discussed.

c. Public Comments

Chairperson Bobrowsky asked if there were any public comments and there were none.

III. Aggregate Assessment

a. Prior Year Funds Augment/Offset Assessment

Chairperson Bobrowsky provided some history on the unspent CDI funds and fines and penalties, and explained those funds were used to offset the assessment. After the BSA (Bureau of State Auditors) audit recommendation that those funds be used to augment the DA funding, AB 2046 was created to allow the FAC to augment the DA funds instead of offsetting the assessment. Prior to 2018, the unspent CDI funds, fines, penalties and restitution collected were used to offset the following year's assessment. In 2017, the BSA completed an audit of CDI and made a recommendation that unspent funds be used to augment County DA funding rather than offset the assessment. In response to the audit's recommendation, AB 2046 was created to amend California Insurance Code 1872.83. At the September 5, 2018 FAC meeting, the FAC voted unanimously to use the available unspent funds to augment the DA program funds and not offset the assessment, based upon the pending legislation. At the next meeting in January 2019, an update was given that the bill had passed. At last year's November 19, 2024 meeting, the FAC again voted to use the unspent funds and fines and penalties to augment DA funding.

b. Discussion

Chairperson Bobrowsky asked if the information was clear and if there were any questions. There were none.

Chairperson Bobrowsky asked if there were any public comments before the Commissioners vote on whether to use the unspent funds and fines and penalties to offset or augment the DA funding. There were none.

Motion

Commissioner Cloney made a motion to use the fines and penalties to augment the DA funding. Commissioner Calamuci seconded the motion.

Action

A roll call vote was taken and the motion passed unanimously.

c. Determination of Aggregate Assessment for Fiscal Year 2026-27

Chairperson Bobrowsky advised neither CDI nor the DAs are seeking an increase in the aggregate assessment. Chairperson Bobrowsky said it appears the assessment is appropriate where it is. Vice-Chairperson Lopez agreed with him. Chairperson Bobrowsky said he was cognizant of Mr. Lee's comments, at the last meeting, that this would not preclude increasing the assessment in FY 27-28. Commissioner Cloney clarified that the split is reverting back to 40.24% to CDI and 59.76% to the DAs. Commissioner Cloney said that the DAs projected budgets reflects a 20% increase, but the split change reverting back is only about a 6% increase for them. Chairperson Bobrowsky said that the proposed budgets are not the DAs official funding requests. Commissioner Cloney said he would like to see more FD-1s generated outside of insurance companies.

Chairperson Bobrowsky said he has seen a disconnect between restitution ordered versus collected. Commissioner Spears agreed and said he would like to see a better effort on collecting restitution. Vice-Chairperson Lopez stated that on wage theft restitution, their office does not rely on the DAs as they pursue this through the civil process. Chairperson Bobrowsky said at State Fund they pursue the restitution civilly and have a team for that. Commissioner Cloney said it would take more resources as the carrier would now need a civil attorney to pursue it. Chairperson Bobrowsky agreed carriers should also try to collect the restitution, but wonders why some counties can collect on it while others cannot. He would love to hear from counties that have a solid restitution collection process.

Arunas Sodonis, Los Angeles County, went up to the podium and said there are a lot of variables including assets and the defendant's desire to avoid jail time. Another variable is some judges will not allow them to stretch out the case so that restitution can be collected.

Aaron Fitzgerald, San Mateo County, came up to the podium and stated in San Mateo County, they have a restitution court for cases with a restitution order over \$5,000.

d. Public Comments

Chairperson Bobrowsky asked for any public comments. Doug Allen, Santa Cruz County, spoke via Zoom. He said in Santa Cruz their court is reluctant to incarcerate people for insurance fraud. So, in response they may offer the court to reduce the case to a 550(b) misdemeanor in exchange for paying restitution up front and that has been a successful practice.

Motion

Commissioner Cloney made a motion to have the assessment stay at \$89,985,405 with a 0% change for FY 26-27. Vice-Chairperson Lopez seconded the motion.

Action

A roll call vote was taken and the motion passed unanimously.

IV. CDAA Presentation

Nicholas George, Orange County DA's office, came up to the podium to present on provider fraud. He gave a brief history on provider fraud and discussed the implications of provider fraud. He also discussed kickbacks, capping, and the challenges DA offices face while investigating and prosecuting provider fraud.

Commissioner Carresi asked if the DAs are using AI to their benefit? Mr. George said they would like to, but they need to be cautious due to confidentiality.

Chairperson Bobrowsky asked when they build their cases, what are the consequences for the bad actors. Mr. George stated every office is different, however their office does try to collect restitution up front. They also look at what industry impact they can make. Unfortunately, the bench does not take white collar crime as serious as violent crime. For example, there was a case of false billing for urine samples and even though there was \$12 million in restitution ordered, the defendant only got 2 years house arrest. Chairperson Bobrowsky asked if they work with DIR. Mr. George replied they do all the time.

Commissioner Calamuci asked what is the role of the employer in these cases. Mr. George advised in context to his presentation today, typically the employer is a victim and is not aware of the fraud.

a. Public Comments

Chairperson Bobrowsky asked for any public comments and there were none.

V. Other Business

b. Next Scheduled Meetings

Chairperson Bobrowsky stated there was a proposed change to move the January 7, 2026 to January 14, 2026 and asked if any of the Commissioners object to the date change or have any conflicts. There were none.

Motion

Commissioner Spears made a motion to change the next FAC meeting to January 14, 2026. Commissioner Carresi seconded the motion.

Action

A roll call vote was taken and the motion passed unanimously.

c. Establishing a Subcommittee to Review Goals & Objectives

Chairperson Bobrowsky stated the FAC Goals and Objectives were revised the last two years with a two-person subcommittee. He asked if any of the Commissioner's feel there is a need to establish a subcommittee? If Commissioners would like to establish a subcommittee, two commissioners would need to volunteer to form the subcommittee.

Commissioner Cloney stated he thinks the goals and objectives are wonderful. Commissioner Calamuci said given this is the same commission as it was when they were revised last year, he does not feel there is a need to revise them again. There were no disagreements from any of the Commissioners.

d. Public Comments

Chairperson Bobrowsky asked if there were any public comments and there were none.

VI. Public Comments

Chairperson Bobrowsky asked if there were any public comments on any agenda item today. There were none.

VII. Closing Remarks

Chairperson Bobrowsky asked for closing comments.

Commissioners Calamuci and Carresi thanked the DAs for the provider fraud presentation.

Vice-chairperson Lopez said he thought this was a very good year. He wanted to reiterate that even though there was no increase to the assessment this year, that does not preclude an increase next year.

Commissioner Cloney appreciated the attendees that came in-person.

Commissioner Spears thanked LAU, especially Jennifer Tran. Commissioner Spears also requested a presentation on restitution sometime in the future.

Chairperson Bobrowsky advised if there is something you want on the agenda, email him and LAU. He mentioned a future presentation on SIU compliance for example and he mentioned Brian Biggs from AFA, who in coordination with NICB, has a billboard campaign currently going on with 15M views expected in 8 weeks. He thanked LAU for all their work.

Motion

Commissioner Spears made a motion to adjourn the meeting and Commissioner Cloney seconded the motion.

Action

The Commissioners unanimously approved, via a roll call vote, and the meeting adjourned at 12:01 pm.