Application Report

Applicant Organization:

San Francisco

Project Name: 25-26.WC.SFDA

Application ID: App-25-351

FundingAnnouncement: FY 25-26 Workers' Compensation Insurance Fraud Program

Requested Amount: $1,174,241.00

Project Summary: Funds for the investigation & prosecution of Workers' Compensation Insurance Fraud

Authorized Certifying Official: Brooke Jenkins DistrictAttorney@sfgov.org 6286524000

Project Director/Manager: Tina Nunes Ober Tina.NunesOber@sfgov.org 628-652-4190

Case Statistics / Data Reporter: Tina Nunes Ober Tina.NunesOber@sfgov.org 628-652-4190

Compliance/Fiscal Officer: Eugene Clendinen eugene.clendinen@sfgov.org 3283524030

Section Name: Overview Questions

Sub Section Name: General Information

1. Applicant Question: Multi-County Grant

Is this a multi-county grant application request? If Yes, select the additional counties.

Applicant Response:

No

2. Applicant Question: FY 23-24 Audited Unexpended Funds

Excluding interest, what was the amount of your FY 23-24 Audited Unexpended Funds? If none, enter "0".

Applicant Response:

$196,655.00

3. Applicant Question: FY 23-24 Audited Unexpended Funds Percentage of FY 23-24 Award

Your FY 23-24 Audited Unexpended Funds are what percentage of your FY 23-24 total award? If none, enter "0".

Total Award excludes interest earned and incoming carryover. To calculate percentage, divide your audited unexpended funds by your total award. Round to the nearest whole number.

Example:

FY 23-24 Total Award: $100,000

FY 23-24 Audited Unexpended Funds: $23,750

FY 23-24 Audited Unexpended Funds Percentage: 24%

Applicant Response:

16.00%

---

4. Applicant Question: Contact Updates

Has your county's Admin User updated the Contacts and Users for your Program?

- ***Contacts*** *are those, such as your elected District Attorney, who need to be identified but do not need access to GMS.*
- ***Users*** *are those individuals who will be entering information/uploading into GMS for the application.* ***Confidential Users*** *have access to everything in all your grant applications.* ***Standard Users*** *do not have access to the Confidential Sections where Investigation Activity is reported. Typical Standard Users are budget personnel.*

Applicant Response:

Yes

---

5. Applicant Question: Program Contacts

Identify the individuals who will serve as the Program Contacts and your Elected District Attorney. Your Program Contacts must be entered as a User and your Elected District Attorney may be a Contact or User in GMS. Contact your county's Admin User if an individual needs to be added or updated.

On the final submission page, you will link your Program Contacts to the application.

Project Director/Manager *is the individual ultimately responsible for the program. This person must be a Confidential User.*

Case Statistics/Data Reporter *is the individual responsible for entering the statistics into the DAR (District Attorney Program Report). This person should be a Confidential User.*

Compliance/Fiscal Officer *is the individual responsible for all fiscal matters relating to the program. This person is usually a Standard User.*

Elected District Attorney *is your county's elected official. This person must be entered as a Contact or a User.*

Applicant Response:

Program Contacts	Name
Project Director / Manager	Tina Nunes Ober
Case Statistics / Data Reporter	Tina Nunes Ober
Compliance / Fiscal Officer	Eugene Clendinen
Elected District Attorney	Brooke Jenkins

---

6. Applicant Question: Statistical Reporting Requirements

Do you acknowledge the County is responsible for separately submitting a Program Report using the CDI website, DA Portal?

To access the DAR webpage on the CDI website: right click on the following link to open a new tab, or copy the URL into your browser.

http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/10-anti-fraud-prog/dareporting.cfm

As a reminder, Vertical Prosecutions should not be counted as an Investigation, a Joint Investigation, or an Assist in the DAR.

Applicant Response:

Yes

---

7. Applicant Question: Required Documents Upload

Have you reviewed the Application Upload List and properly named and uploaded the documents into your Document Library?

To view/download the Application Upload List: go the Announcement, click View, and at the top of the page select Attachments. The Application Upload List is 4e. Items must be uploaded into the Document Library before you can attach them to the upcoming questions.

Applicant Response:

Yes

Sub Section Name: BOS Resolution

---

1. Applicant Question: BOS Resolution

Have you uploaded a Board of Supervisors (BOS) Resolution to the Document Library and attached it to this question?

A BOS Resolution for the new grant period must be uploaded to GMS to receive funding for the 2025-2026 Fiscal Year. If the resolution cannot be submitted with the application, it must be emailed to LAU@insurance.ca.gov no later than January 2, 2026. There is a sample with instructions located in the Announcement Attachments, 3b.

Applicant Response:

No

---

2. Applicant Question: Delegated Authority Designation

Choose from the selection who will be the person submitting this application, signing the Grant Award Agreement (GAA), and approving any amendments thereof.

The person selected must be a Confidential User, who will attest their authority and link their contact record on the submission page of this application. Must be a direct email address; No generic/group email address allowed. A sample Delegated Authority Designation Letter is located in the Announcement Attachments, 3a. CDI encourages the contact named as Project Director/Manger be the designated authority, should that be your selection.

Applicant Response:

Designated Person named in Attached Letter

Attachment:

25-26 WC Delegated Authority Designation Letter.pdf - PDF FILE

Section Name: County Plan

Sub Section Name: Qualifications and Successes

---

1. Applicant Question: Successes

What areas of your workers' compensation insurance fraud program were successful and why?

Detail your program's successes for ONLY the 23-24 and 24-25 Fiscal Years. It is not necessary to list every case. If a case is being reported in more than one insurance fraud grant program, clearly identify the component(s) that apply to this program. If you are including any task force cases in your caseload, name the task force and your county personnel's specific involvement/role in the case(s). Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

SFDA believes that success is a team effort. Success comes through collaboration, not only within our own organization, but with outside organizations with the same mission and goals of rooting out, investigating, prosecuting and deterring Workers Compensation Insurance Fraud in San Francisco.

SFDA continues to collaborate with the California Department of Insurance. Key to our success is our working relationship with CDI. We continue to meet every other month, in person, with CDI detectives to conduct a case review. All SFDA insurance fraud program attorneys and investigators attend the meetings unless they are in court or on vacation. Additionally, SFDA prosecutors are available to CDI detectives whenever needed to answer any questions CDI may have about legal issues, generally or specifically on open cases. CDI has also been a close partner in assisting on search and arrest warrants on large cases with multiple location searches and arrests. CDI has assisted with computer forensics which has been tremendously helpful.

Another collaboration that has strengthened SFDA's Insurance Fraud program is our relationship with the State Compensation Insurance Fund (SCIF). SFDA meets regularly with SCIF's SIU staff to discuss open cases with SCIF. SFDA has benefited from the experience and knowledge of SCIF SIU staff. We look forward to continuing our collaboration with SCIF.

SFDA has stepped in and assisted in getting the Golden Gate Workers' Compensation Fraud Consortium (GGWCC) running again. Last year, we added San Mateo County DA, Santa Clara County DA, Monterey County DA and Silicon Valley CDI Regional Office to the consortium. The consortium meets quarterly. Paralegal Valerie Blasi organized a contact list of all members of the consortium. Ms. Blasi sends out all the meeting notices. She has also set up a shared drive to be used by all consortium members to add any legal briefs or legal documents that would assist any members of the consortium. Having access to any helpful legal briefs and documents will save prosecutors and investigators time. Many of us are faced with the same or similar legal issues in our cases and can learn from each other. No need to reinvent the wheel.

In addition, SFDA Investigator Michael Morse presented to the consortium on the issue of provider fraud and his three-year investigation into the case of Dr. Gary Martinofsky, Integrated Pain Care and Raisa Rikoshinsky.

The SFDA Communications team (unfunded contribution) assists in drafting and issuing press releases. SFDA issues press releases on Workers' Compensation Insurance Fraud cases to educate the public and to deter any potential fraudsters. Press releases are also posted on SFDA social media sites such as "X" and Facebook. Every time we have an opportunity to inform the public and the business community about Workers Compensation Insurance Fraud prosecutions, we take advantage of that opportunity and give it as much exposure as possible in the press and on social media.

The last two fiscal years, SFDA has sent members of its insurance fraud team to training. This includes CDAA's Fraud Seminar and the Anti-Fraud Alliance Conference (AFA) in Monterey. Learning about trends in insurance fraud is vital to our mission and allows us to better investigate and prosecute our cases. This fiscal year, SFDA also sent two program staff members to Chicago to attend an NICB Workers' Compensation Insurance Fraud training, focused on provider fraud. Attending training affords us an opportunity to network with other professionals involved in the investigation and prosecution of Workers' Compensation Insurance Fraud.

In addition, last fiscal year, former SFDA ADA Alex Fasteau and Lt. Molly Braun presented at AFA. They presented a comprehensive case study of a complex premium fraud case, *People v. Gina Gregori/GMG*. The training was completed over a two-hour block of time and was well attended by an engaged audience with interesting questions.

At the 2024 CDAA conference, ADA Zhong, ADA Hernandez, and DAI Morse presented a comprehensive case study on one of our complex medical provider fraud cases, *People v. Gary Martinovsky et al.* The training delved into DAI Morse's investigation, exploring how he built the case from a meeting with city employees concerned about potential double billing into one that uncovered three different fraud schemes—double billing, billing for services not rendered, and kickbacks—that spanned years and resulted in millions of dollars of fraudulent liens being filed against multiple victims, including the City and County of San Francisco, SCIF, and multiple insurers. ADA Zhong and ADA Hernandez provided training on the best charging strategies for complex cases and legal authority for charging not just individual providers, but their practices as well.

ADA Zhong completed a comprehensive in-house training for our team of attorneys, paralegals and investigators on all types of workers compensation insurance fraud, best practices for reviewing FD-1's and key evidentiary considerations when building a workers compensation fraud case.

SFDA conducted a round table meeting for SIU's which CDI attended and assisted in presenting. Outreach and training with SIU's is a priority for our program.

Last year, paralegal Valerie Blasi worked with SFDA Communications Team and Technology Support Team to add educational information to the SFDA website about Workers' Compensation Fraud. Included in the information is how to report Workers' Compensation Fraud to the California Department of Insurance and to the office of the SFDA. SFDA set up an email inbox (SFDAinsurancefraud@sfgov.org) which allows for a central repository of all insurance fraud referrals from any source. By publishing information on the SFDA website, we are able to educate the public on what constitutes insurance fraud and how to report it.

In her first year as a program prosecutor, in August 2022, ADA Zhong filed a complex worker's compensation premium fraud case (*People v. Maher*, Court No. 22008596). After defeating Ms. Maher's first petition for Primary Caregiver Diversion in 2023, ADA Zhong secured payment of full restitution to SCIF in the amount of $270,900 in June 2024 as part of Ms. Maher's second petition for Primary Caregiver Diversion. While we strongly opposed diversion and argued against it, the judge chose to grant it and fortunately we were able to recover all losses to SCIF. The co-defendants, Jerry and Denis Cullinane remain on bench warrant status and possibly in another country.

In 2024, ADA Zhong joined forces with ADA Hernandez on a complex co-defendant medical provider fraud case (People v. Martinofvsky, Court No. 23019931; People v. Integrated Pain Care, Court No. 23500640; People v. Rikoshinsky, Court No. 23019913). ADA Zhong also reached a negotiated disposition in another case (*People v. Pevec*, Court No. 22002830), charging chiropractor Marijan Pevec with forging a letter from Sedgwick offering to settle his lien against Old Republic for $10,000. As part of that resolution, Dr. Pevec must complete 100 hours of community service and pay any restitution claimed by the victims. These two cases are good examples of medical provider cases and SFDA's dedication to investigating and prosecuting these important cases which are major cost drivers in the Workers Compensation system.

In fiscal year 23-24, DA Investigator Michael Morse completed a three-year investigation into a San Francisco based QME with offices in Contra Costa County as well. Dr. Gary Martinofsky. Raisa Rikoshinsky (Dr. Martonifsky's assistant and mother-in-law) and Integrated Pain Care (IPC), Incorporated were charged with 40 counts of workers' compensation insurance fraud for fraudulent billing practices that amounted to over $25 million in workers' compensation liens against multiple carriers. This complex resource intensive investigation and prosecution involved multiple FD-1's and three different types of insurance fraud and began in March 2020 and has possibly implicated other businesses and investigation of those other businesses continues to the present day. Some of the work involved a detailed, line-item review of thousands of pages of reporting and billing documents. The assigned prosecutor and investigator worked with the Department of Industrial Relations (DIR), the State Board of Pharmacy, and district attorney's offices in Southern California to obtain relevant evidence. This is another example of how important collaboration is in these complex cases. Without DIR's assistance, this case may not have been provable.

SFDA, with the assistance of CDI, executed search warrants at five locations, including the two defendants' homes and all the business locations. The suspect provider presented to three different insurers, including the self-insured City and County of San Francisco, multiple claims for payment, by filing liens, failing to disclose that the attached bills had already been paid, altering billing forms to conceal the identity of the original billing provider. The provider also billed three different insurers for services that were not rendered, writing letters appealing treatment denials after utilization review and billing them as Med Legal reports at $625 each, when they were not billable as Med Legal reports. As a QME, the suspect knew what could and could not be billed at the higher "Med Legal" rate.

The day before a court hearing date in June 2024, defendant Dr. Gary Martinofsky passed away. The case against Dr. Martinofsky was dismissed at a later court date, upon receipt of his death certificate. However, the litigation continues against Raisa Rikoshinksy and IPC. At the time of the arraignments, SFDA issued a press release which garnered many views on social media and lead to many carriers reaching out to SFDA with more FD-1's involving these defendants. ADA Hernandez continues to litigate this case.

SFDA Special Prosecution Unit's Public Integrity Team uncovered a case of insider fraud in San Francisco City's Department of Human Resources, Wokers' Compensation Division. The manager of the division, Stanley Ellicott, was investigated and arrested for misuse of public funds after it was discovered that he and a colleague were stealing funds from the city through a scheme of purchasing electronic devices with funds earmarked for a program and then selling the devices online and keeping the profits of the sales. Search warrants were executed, and bank records were obtained. Retired DA Investigator Michael Reilly found that defendant had created an Illinois corporation which he registered with the city as a vendor of workers' compensation services for injured city workers. The corporation was a shell corporation and a front for fraud. The city is self-insured. The defendant's job was to maintain and ensure the integrity of the city's workers' compensation system. He created fraudulent invoices for his Illinois corporation and then approved the invoices himself or ordered his subordinates to approve the invoices. The money was then transferred into the defendant's personal bank account. This illegal activity tock place over a 5-year period and resulted in a loss of over $600,000 to the city's workers' compensation program. The case is still in litigation after a preliminary hearing was conducted

earlier this month. The defendant will be arraigned on the information later in April.

SFDA has also been investigating a large case involving a local towing company. We will be filing charges before the end of the current fiscal year. This investigation has been ongoing for close to two years. Predatory towing is a major problem in San Francisco where parking is a persistent and growing issue. This case involves charges of automobile insurance fraud and Workers' Compensation Insurance fraud. Investigator Marisa Sullivan has uncovered massive fraud involving a potential auto fraud ring. On the auto insurance fraud side of this investigation, Investigator Sullivan found over $450,000 in fraud lost to 6 insurance carriers. The suspect was engaged in multiple types of schemes including holding vehicles hostage and charging illegal fees in violation of the California Vehicle Code. The investigation also revealed over 60 employees not reported over years of workers' compensation coverage resulting in over $200k in premium fraud. This case also includes charges filed by the Attorney General through the Bureau of Automotive Repair and additional charges regarding EDD fraud and California tax evasion. This case in total has 6 filed search warrants thus far since November 2023, and an additional 12 search warrants and 4 arrest warrants expected to be filed in May 2025.

Investigator Michael Morse and ADA Tony Hernandez will be presenting at the Anti-Fraud Alliance Conference this year in late April. They will present on the investigation and prosecution of Dr. Gary Martinofsky and co-defendants. Additionally, Managing Attorney, Tina Nunes Ober will participate in a panel discussion at the NICB Workers' Compensation training in May.

2. Applicant Question: Task Forces and Agencies

List the governmental agencies and task forces you have worked with to develop potential workers' compensation insurance fraud cases.

Applicant Response:

California Department of Insurance (CDI)

California State Licensing Board (CSLB)

California Department of Industrial Relations (DIR)

California Employment Development Department (EDD)

California Department of Motor Vehicles (DMV)

California Department of Justice (DOJ)

California Franchise Tax Board (FTB)

California Secretary of State (SOS)

State Compensation Insurance Fund (SCIF)

San Francisco Police Department (SFPD)

San Francisco Sheriff's Department (SFSO)

San Francisco Department of Building Inspection (SFDBI)

San Francisco Office of the Assessor-Recorder

San Francisco Treasurer and Tax Collector

San Francisco Department of Human Resources (DHR)

San Francisco Medical Examiner's Office (SFME)

San Francisco City Attorney's Office

San Francisco District Attorney's Special Prosecutions Unit (SPU)

Federal Bureau of Investigations (FBI)

Department of Homeland Security (DHS)

Tax Recovery in the Underground Economy Task Force (TRUE)

Santa Clara Workers Exploitation Task Force

Golden Gate Workers Compensation Fraud Consortium/Bay Area Workers Compensation Fraud Consortium

California Medical Board

California Department of Pharmacy

3. Applicant Question: Unfunded Contributions

Specify any unfunded contributions and support (i.e., financial, equipment, personnel, and technology) your

county provided in Fiscal Year 24-25 to the workers' compensation insurance fraud program.

Applicant Response:

The SFDA's Office is fully committed to the effective prosecution of Workers' Compensation Insurance Fraud. Our commitment is evidenced by our extensive unfunded contributions to our program, year over year. Without these unfunded contributions our program would not operate effectively.

The program manager, Managing Assistant District Attorney, Tina Nunes Ober's salary is not funded by any grant. Ms. Nunes Ober devotes 70% of her time to managing the SFDA insurance fraud grant programs. Her time is spent supervising the attorneys on the team, assigning cases, reviewing FD-1 referrals, providing training and outreach and acting as the primary liaison with our partner agencies. She is a career prosecutor with 31 years of experience, spanning three California counties. Ms. Nunes Ober reviews all arrest warrant affidavits. She conducts all initial review of referrals in conjunction with SFDA paralegal Valerie Blasi and Lt. Alex Nocon. This process allows SFDA to efficiently close out any referrals early in the process, if there are insurmountable proof problems, thereby freeing up the time of the grant funded personnel. Ms. Nunes Ober attends and presents to the San Francisco Board of Supervisors annually on our grant funded programs in order to obtain our resolutions. The presentations often assist in educating our elected officials on insurance fraud and its impacts on San Francisco residents and businesses.

Lieutenant Alex Nocon supervises SFDA's program Investigators. Lt. Nocon is an unfunded contribution as his salary is paid by the city's general fund. Lt. Nocon assists in reviewing FD-1's. He assigns cases to the program investigators as well as writing and editing search and arrest warrants. Lt. Nocon assists in drafting operation plans for the execution of search and arrest warrants. He trains all the program investigators and acts as the primary contact with other law enforcement agencies.

Chief Assistant District Attorney Matthew McCarthy is an unfunded contribution as well. Chief McCarthy reviews and edits all arrest warrant affidavits which can be lengthy and complex. He spends many hours reviewing the documents to ensure we are properly presenting our cases to the judges for signature.

SFDA also has three paralegals who provide support to our program attorneys and investigators. They perform such tasks as discovery and drafting complaints. Additionally, SFDA recruits volunteer paralegal trainees, law clerks and undergraduate interns who assist our program staff. We currently have a paralegal intern and an undergraduate student assisting our team with various projects including organizing documents and summarizing claims files.

The SFDA Information Technology (IT) team assists our team with website design and all our technology needs. None of our IT staff members are grant funded. SFDA Communications Team assists our program with drafting and disseminating press releases. The communications team also updates and posts on SFDA social media sites where we provide information to the public on our cases and various topics of interest to the public. Our Finance Team which tracks our time sheets, and our budgets are also unfunded contributions.

---

4. Applicant Question: Personnel Continuity

Explain what your county is doing to achieve and preserve workers' compensation fraud institutional knowledge in your grant program. Also detail and explain the turnover or continuity of personnel assigned to your workers' compensation insurance fraud program. Include any rotational policies your county may have.

Applicant Response:

SFDA understands the importance of personnel continuity in the area of Workers' Compensation Insurance fraud. In our effort to meet the goals of both the Fraud Assessment Commission and the Insurance Commissioner, we have maintained our attorney and investigator staffing levels in our unit, despite the growing challenges in retention and hiring that we and many other employers have been facing over recent years. We

currently have three attorneys, two investigators and a paralegal assigned to our program. SFDA has had staffing challenges this current fiscal year due to staff departure, new hires and reassignments of investigative staff to other grants.

In 2022, Rebecca Friedemann Zhong joined SFDA. ADA Zhong joined us after a stint in private practice where she represented white collar defendants. She has been a member of the California Bar since December 2018 after graduating from University of California, Davis, School of Law. ADA Zhong joined our office in January 2022 and spent several months on our general felonies team where she gained valuable courtroom experience. ADA Zhong is currently on leave (effective March 10, 2025). Prior to going out on leave, all the attorneys on the team met to discuss all Ms. Zhong's cases and how to transfer them and to whom. ADA Zhong prepared extensive transfer memos (SFDA requires transfer memos on all cases when they are reassigned for whatever reason). The newly assigned ADA's were all briefed on Ms. Zhong's cases, and we have had a smooth transition thus far. SFDA expects ADA Zhong to return to our insurance fraud program upon her return to our office next year.

ADA Zhong was handling a complex premium fraud case, but it was jointly assigned to ADA Antonio Hernandez. We therefore had no issues regarding the transfer of this large case. ADA Zhong was assigned with ADA Hernandez to the large medical provider fraud case against Dr. Gary Martinofsky, Raisa Rikoshinsky and Integrated Pain Care. Because we assigned two ADA's to co-chair that case, we have not encountered problems with the transition.

Last June, Alex Fasteau, who was a long time SFDA employee and grant attorney, left the office. Prior to their departure, SFDA actively recruited an experienced attorney to replace Attorney Fasteau. ADA Jeff Daley joined SFDA in July 2024. ADA Daley has 20 years as a prosecutor and 10 years specifically litigating white collar crimes. ADA Daley is a graduate of Northeastern University Law School and California State University, San Francisco. ADA Daley came to us from the Solano County District Attorney's Office where he was the sole prosecutor handling real estate fraud and other white-collar crimes. He has prosecuted every type of crime including homicides, firearms cases, domestic violence, drug sales, embezzlement, identity theft, credit card fraud, insurance fraud, sexual assault and child pornography. ADA Daley practiced for 5 years in Massachusetts as a prosecutor, including 2 years as a supervisor. He has been able to seamlessly transition into the SFDA's office and into our insurance fraud programs. ADA Daley was able to take over most of former ADA Fasteau's cases with no major issues.

ADA Antonio (Tony) Hernandez was assigned to the insurance fraud team in October 2023. Prior to joining the team, ADA Hernandez had been handling real estate fraud, public assistance fraud and asset forfeiture for over 10 years, making him well-versed in prosecuting fraud in San Francisco. He is a 27-year career prosecutor with trial experience in general felonies, major narcotics, domestic violence, community court/neighborhood DA, preliminary hearings, and misdemeanors. Prior to joining the SFDA's Office, he worked for a year in the United States Attorney's office in San Diego where he prosecuted border crimes. ADA Hernandez is a graduate of UCSF Law School and earned his BA in political science from the University of California, San Diego.

ADA Victoria Robinson joined SFDA in September 2024. She has 18 years' experience as a prosecutor, having worked in Santa Clara County and Contra Costa County prior to joining SFDA. ADA Robinson is a graduate of the University of California School of Law, San Francisco and the University of California, Berkeley. ADA Robinson started her career at the Contra Costa District Attorney's Office where she practiced for 4 years before joining the Santa Clara County District Attorney's Office. She has prosecuted every type of criminal case and became an expert in child and elder abuse cases prior to moving on to real estate fraud. ADA Robinson is an experienced teacher who taught multiple classes at CDAA and to multiple Santa Clara County agencies and police departments. It has been a seamless transition to SFDA as she returned to her hometown to make an impact on her community. Like ADA Daley, ADA Robinson has been a great addition and a tremendous asset to the SFDA's Office.

The program director, Tina Nunes Ober, has been with the insurance fraud program since March 2022. Ms. Nunes Ober is a 31-year career prosecutor. She graduated from Boston University, cum laude with a BA in political science and went on to graduate cum laude from Suffolk Law School. ADA Nunes Ober began her career in the Ventura County District Attorney's Office where she worked for 4 years before moving on the Santa Clara County District Attorney's Office. Ms. Nunes Ober joined the SFDA's Office in April 2019. She co-managed the Misdemeanor team where she taught new prosecutors how to try cases, as well how to negotiate and resolve them.

Lieutenant Alex Nocon was assigned to our program in June 2024 when Lt. Molly Braun was reassigned. Lt. Nocon has been an investigator since 1994. He began his law enforcement career with the California Department of Insurance (CDI) where he worked for 2 years. From there he transitioned to the California Department of Consumer Affairs where he conducted investigations for a variety of criminal and administrative matters including wrongful death, sexual assault, fraud and unlicensed activity. Lt. Nocon then moved to the California Department of Justice where he worked from 1999 to 2016, taking on a variety of roles and leading many task forces which investigated a multitude of crimes from narcotics to human trafficking. He joined SFDA in 2016 and has worked on white collar crimes and has been an expert on organized retail crime.

District Attorney Investigator George Koutsoubus joined SFDA in May 2024 after 23 years with the Alameda Police Department. Investigator Koutsoubus spent much of his time on patrol and in investigations. He has taken multiple courses to learn how to investigate all types of crimes. He has also conducted training for other law enforcement agencies on topics such as Defensive Tactics. He is our primary Auto Insurance Fraud Investigator but also assists with Workers Compensation Fraud cases and is learning how to investigate all types of Workers Compensation Insurance Fraud. Investigator Koutsoubus has been a great addition to our team and has also made a seamless transition from Alameda Police to SFDA Bureau of Investigations.

Investigator Michael Morse returned to the insurance program in May 2023 after a year on another assignment. Investigator Morse was assigned to the Workers Compensation Insurance Fraud team from 2018-2022. Prior to joining the SFDA's Office in 2018, Investigator Morse was a peace officer with the Oakland Police Department for 28 years. Investigator Morse has received training on Workers Compensation Insurance Fraud and related topics from the North Bay High Impact Workers Compensation Fraud Consortium, the National Insurance Crime Bureau (NICB), the California Department of Insurance (CDI), CDAA and the Anti-Fraud Alliance (AFA). Investigator Morse will be fully assigned to SFDA's Urban Auto grant starting in Fiscal Year 25-26. In January 2025, he was assigned 50% to Urban and 50% to Workers Compensation Fraud.

Investigator Marisa Sullivan joined the SFDA 3 years ago. She has been assigned to Workers' Compensation Fraud since May 2023. Investigator Sullivan came to SFDA from CDI where she investigated dozens of insurance fraud cases. Prior to joining CDI, she was a peace officer with the San Mateo Police Department. She was also a government contracted investigator with the Drug Enforcement Agency (DEA) and the Central Intelligence Agency (CIA). Investigator Sullivan graduated from the California Police Officers Standards and Training (POST) certified course at the Contra Costa Law Enforcement Training Center in May 2018.

Investigator Sullivan's training includes attending 4 weeks of training courses on fraud crimes through the Basic Investigators Course and Basic Fraud Investigations course while employed with CDI. Additionally, she has experience in surveillance, enforcement of applicable laws and statutes, evidence collection, report writing, writing and executing search warrants and interviewing of suspects, witnesses and victims. Investigator Sullivan

has investigated or assisted in investigations of cases involving various forms of theft, fraud, homicide, domestic violence, sexual assault, parental abductions, vehicular accidents, international terrorism, narcotics, and officer involved incidents. In addition, she has experience in evaluating documents, financial records, telephone records, utility listings and evidence to determine the nature and extent of whether a crime was committed. Investigator Sullivan has participated in joint investigations with county task forces, federal agencies, and other local police and sheriff departments.

Investigator Perla Ortiz recently returned to the Workers Compensation Fraud team after 2-year hiatus. She joined SFDA after 6 years with the Oakland Police Department. Investigator Ortiz is a graduate of the University of California, Berkeley. While she was with Oakland Police, she was a patrol officer for 3 years. In 2019 she was assigned to the Criminal Investigations Division. She also worked in the Felony Assault Unit and the Robbery Unit. She has written over 100 Ramey warrants and search warrants while at Oakland Police. Additionally, she has interviewed several suspects, victims and witnesses and has completed multiple trainings on topics such as cell phone investigations, search warrants, wiretapping, undercover operations and leadership. Investigator Ortiz is fluent in Spanish which is very helpful in conducting witness interviews as we have many mono-lingual Spanish speakers working and living in San Francisco who may be witnesses in fraud cases.

Paralegal Valeire Blasi has been with the SFDA's office since 2015. She has been assigned to insurance fraud since 2018. Ms. Blasi has a background in mortgage insurance mitigation review, specialized bank administration, and food industry survivorship. Her extensive work experience on varied and complex assignments, combined with her dedication to continually improve processes, allows her to contribute strongly to insurance fraud case reviews and to assist with FD-1 reviews, ISO searches and WCIRB searches. Ms. Blasi is a valuable resource and an asset to our team. She greatly contributes to the efficient and smooth operations of our unit on a daily basis. Additionally, she has completed insurance fraud trainings on her own initiative and personal time.

While we have had staffing changes over the last year, we have managed to maintain staffing levels and when we have replaced attorneys, it has been with very experienced attorneys who have not required a great deal of training. We also send all investigators and attorneys to training so that we are always learning and benefitting from networking with our colleagues across the state.

---

5. Applicant Question: Frozen Assets Distribution

Were any frozen assets distributed in FY 24-25?

If yes, please describe. Assets may have been frozen in previous years.

Applicant Response:

No

Sub Section Name: Staffing

---

1. Applicant Question: Staffing List

Complete the chart and list the individuals working the program. Include prosecutor(s), investigator(s), support staff, and any vacant positions to be filled.

All staff listed in your application budget must be included in the chart.

For each person, list the percentage of time dedicated to the program and the start and end dates the individual is in the program. The entry in the"% Time" field must be a whole number, i.e., an employee who dedicates 80% of their time to the program but is only billed 20% to the program, would be entered as "80" in the "% Time Dedicated to the Program" column.

Applicant Response:

Name	Role	Start Date	End Date (leave blank if N/A)	% Time Dedicated to the Program
Antonio Hernandez	Attorney	10/01/2023		50
Jeff Daley	Attorney	07/13/2024		60
Victoria Robinson	Attorney	09/16/2024		25
Tina Nunes Ober	Program Manager/Attorney	03/01/2025		60
Valerie Blasi	Paralegal	02/04/2018		50
Marisa Sullivan	Investigator	05/01/2023		100
George Koutsoubus	Investigator	05/01/2024		50
Perla Ortiz	Investigator	03/31/2025		50
Alex Nocon	Investigator	06/02/2024		60

2. Applicant Question: FTE and Position Count

The staff and FTE included in the chart below MUST MATCH the staff and FTE listed in your application budget. Do not include unfunded personnel.

The "# of Positions" field represents people and must be entered in whole numbers. The "FTE" field must be entered as a decimal and represents the Full Time Equivalent (FTE) for all budgeted personnel in that position.

E.g., Two Attorneys who are billed to the program at 80% each would be entered as "2" in the # of Positions field and "1.60" in the FTE field.

Reminder: This chart MUST match your application budget.

Applicant Response:

Salary by Position	# of Positions (whole numbers)	FTE (1.00 = 2080 hours/year)
Supervising Attorneys		
Attorneys	3	1.35
Supervising Investigators		
Investigators (Sworn)	3	2
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.		
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary by Position, other		
	Total: 6.00	**Total: 3.35**

---

3. Applicant Question: Organizational Chart

Upload and attach to this question an Organizational Chart; label it "25-26 WC (county name) Org Chart".

The organizational chart should outline:

- *Personnel assigned to the program. Identify their position, title, and placement in the lines of authority to the elected district attorney.*
- *The placement of the program staff and their program responsibility.*

Applicant Response:
25-26 WC.SFDA.OrgChart.pdf - PDF FILE

Sub Section Name: Problem Statement & Program Strategy

---

1. Applicant Question: Problem Statement

Describe the types and magnitude of workers' compensation insurance fraud (e.g., claimant, single/multiple medical/legal provider, premium/employer fraud, insider fraud, insurer fraud) relative to the extent of the problem specific to your county.

Use local data or other evidence to support your description.

Applicant Response:

Consistent with the concerns of the Insurance Commissioner and the Fraud Assessment Commission (FAC), the SFDA recognizes that medical provider and premium fraud are the major cost drivers in the Workers' Compensation system and the types of fraud that result in the greatest losses to victims. San Francisco has an underground economy that impacts many sectors and businesses, in particular construction. The city of San Francisco (CCSF) is the largest employer in the city and is self-insured for all workers' compensation claims. Fraudulent claims by city employees can drain the budget for the employer department which results in fewer resources to fund city services. We learned last year that insider fraud in CCSF's government can dilute public trust as well as deplete valuable funds from the city's coffers.

Medical provider fraud is a major cost driver for the workers' compensation insurance industry. According to the California Department of Industrial Relations (DIR), 649 medical providers have been suspended since 2017. According to SCIF, Workers' Compensation fraud in California costs anywhere from $1 to $3 billion annually. Medical provider fraud racks up millions of dollars in losses because, as opposed to claimant fraud, it is much larger and more complex in scope. It is often more difficult to uncover and takes a lot of resources to investigate and prosecute.

In March 2020, CCSF referred the case of Dr. Gary Martinofsky to SFDA's Investigator Michael Morse. After an intensive 3-year investigation, 5 search warrants and 2 arrest warrants were executed in December 2023. There are approximately $25 million in liens against multiple carriers. Those liens remain stayed and SFDA is still litigating that case against two remaining defendants, Integrated Pain Care, Inc and Raisa Rikoshinsky. Unfortunately, Dr. Martinofsky passed away after charges were filed and the case against him was dismissed. We are working steadily toward a resolution and have been working with DIR on the issue of the $25 million in liens. This case has been resource intensive. SFDA has poured many attorney and investigative hours into this case and even after Dr. Martinofsky unexpectedly passed away, we did not give up and we are still working toward a reasonable resolution. Additionally, this business is no longer operating and that is a victory for public safety, protecting injured victims from unnecessary treatments and preventing additional fraud.

Furthermore, Dr. Martinofsky was a QME with the San Francisco Workers' Compensation system. Fraud by medical providers like Martinofsky depletes city coffers at a critical time for city budgets. CCSF is facing deficits that could threaten the current levels of public service to all residents. Uncovering these crimes will help deter this type of fraud and return these monies to the taxpayers through services.

SFDA Special Prosecutions Unit (SPU) uncovered $600,000 in insider fraud in the CCSF Workers' Compensation system by an employee whose job it was to protect the integrity of the city's workers' compensation system. That stolen money will be returned to the city's workers' compensation system as a result of this prosecution. The assigned ADA, Erin Loback moved the court to seize and freeze assets in the defendant's bank account so that restitution can be paid to the city when this case concludes. Insiders defrauding the system can be a large and costly problem that not only steals from taxpayers but causes distrust in government.

Premium fraud is the second major cost driver in the workers' compensation system. As workers' compensation premiums can be very expensive, some businesses will skirt the law and commit fraud to reduce their premiums. California is experiencing a crisis in insurance and Workers' Compensation is no exception. San Francisco has a very high cost of doing business and it has an underground economy which leads to cash payments and wage theft. Premium fraud causes tremendous losses to the carriers. It also creates a lopsided playing field for businesses. Honest business owners are at a financial disadvantage to cheating owners who do not carry insurance or lie to obtain lower premiums. This type of fraud also hurts workers who may not be able to access treatment for serious injuries.

According to United States Census numbers, San Francisco is a city of 827,530 residents. According to SFHIP.org, 24% of San Francisco residents, aged 5 and over have limited English proficiency. Approximately 33.4% of San Francisco residents are foreign born and immigrants make up 36% of our workforce. Limited English language skills can create a situation where someone is more easily victimized by either an unscrupulous doctor or employer.

San Francisco is home to many underground economies. The minimum wage in San Francisco is $18.67 and will increase to $19.18 on July 1 of this year. The high cost of labor can result in employers using various schemes to avoid paying workers' compensation premiums, payroll taxes, and other labor related expenses mandated by federal, state and local regulations. Common illegal conduct includes:

1. Paying employees in cash to avoid taxes;
2. Underreporting the number of employees working for the business and wages paid to employees;
3. Declaring to a regulatory agency that the employer has the required compensation policy when there is no policy or alternatively, when the employer has a policy that misrepresents the employee's wages and/or the activity of the business;
4. Misclassifying employees as independent contractors to pay lower premiums for workers' compensation insurance;
5. Committing wage theft.

In addition, the high cost of real estate is a major contributor to the local economy and fuels the construction industry. Many workers in the construction industry are immigrants and some have limited English language skills, as previously discussed. All of these factors can lead to the underground economy and subsequent abuses of the Workers' Compensation system.

CCSF employs 35,200 full-time employees according to the city's records. It is San Francisco's largest employer, and the city is self-insured. When there is fraud in the city's workers' compensation system, the cost of that fraud will affect the budget of the claimant employee's department. We must therefore work closely with the city to uncover and to deter this fraud. Those funds can be used to serve the public as it was intended. Claimant fraud in San Francisco can be very costly to all San Franciscans.

---

2. Applicant Question: Problem Resolution Plan

Explain how your county plans to resolve the problem described in your problem statement. Include improvements in your program.

Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Specify how the district attorney will address the workers' compensation insurance fraud problem, defined in the Problem Statement, through the use of program funds.

The discussion should include the steps that will be taken to address the problem, as well as the estimated time frame(s) to achieve program objectives and activities.

The response should describe:

- The manner in which the district attorney will develop his or her caseload;
- The sources for referrals of cases; and
- A description of how the district attorney will coordinate various sectors involved, including employers, insurers,

medical and legal providers, CDI, self-insured employers, public agencies such as the Department of Industrial Relations, Employment Development Department, and local law enforcement agencies.

Applicant Response:

First and foremost, the best way to combat the problems of workers' compensation insurance fraud is to foster personnel continuity. Consistent and constant training and learning for personnel, strong collaboration with partner agencies and public outreach are vital to addressing fraud in the workers' compensation insurance system in San Francisco.

As we are often reminded by the Insurance Commissioner and the FAC, personnel continuity is a key goal that all District Attorneys' Offices need to strive for annually. While SFDA has had personnel changes this year, primarily on our attorney side, we have maintained staffing levels. As discussed in the goals section of this application, SFDA did have a long time ADA resignation. However, before that attorney left SFDA, we began recruiting for their replacement. We hired a replacement very quickly and had very little lag time between the departure and the first day of the new hire. Additionally, and most importantly, the new hire was even more qualified and had even more experience than the departing attorney. SFDA also has an attorney on leave until next year however, we have already staffed a replacement ADA. The attorney filling in has 18 years as a prosecutor and was training prior to stepping into the grant position early in March. On the investigations side, when we had our Urban Auto grant fully up and running, we had to move one of the workers' compensation fraud investigators to the Urban Auto Task Force. We moved Investigator Morse half time to Urban Auto and he remains half time on Workers' Compensation fraud through the end of this fiscal year. While Investigator Morse is still on the Workers' Compensation grant, we have assigned Investigators George Koutsoubus and Perla Ortiz at half time. This approach provides overlap so that Investigator Morse can train the new investigators to the team. Moreover, Investigator Ortiz had been previously assigned to Workers' Compensation fraud and Investigator Koutsoubus is an experienced fraud investigator who has been investigating auto insurance fraud since last year. SFDA has ensured through these transitions that we have sufficient overlap and no loss of knowledge.

Training is important for success. Fraud schemes are often complex. Fraudsters are always finding new ways to commit fraud and new technology offers new opportunities to devise novel fraud schemes. Training and networking with colleagues across the state and country assists us in learning trends in other counties and states so we can be alert to those schemes. Attending training also teaches us about legal theories and legal challenges that other offices have overcome and how they dealt with those issues. We can also learn about defense strategies commonly used in fraud cases. SFDA attends the AFA conference in Monterey and CDAA Fraud Seminar. We attend NICB training as well. We are always looking for relevant training opportunities.

SFDA will continue to participate in the Golden Gate Workers' Compensation Consortium (GGWCC). GGWCC is a great way to learn and to network with our colleagues in the Bay Area. Many of the cases we encounter cross county lines and so it is important that we all talk to each other on a regular basis and that collaborate with one another. We sometimes face the same defense attorneys across the region and it is helpful to share information on their defense strategies.

Collaboration with CDI is vital to SFDA's success. We will continue to meet regularly with CDI and to work closely with CDI detectives. In that effort, one of our ADA's works out of the CDI office one day a week. He works on Urban Auto and on Workers' Compensation cases. It really works to create and maintain prompt communication and he is available to the CDI team to answer their questions while he is at their office. CDI has been a great partner in search and arrest warrant executions. CDI's forensic staff has been a tremendous help in extracting and analyzing data from electronic devices in two very complex, large cases. SFDA looks forward to continuing to work closely with CDI. We have fostered a good working relationship with CDI based on communication and joint work.

SFDA has also collaborated with DIR and EDD. We have worked with NICB. We hope to build stronger relationships with these partner agencies and we look forward to building stronger relationships with SIU's. We will conduct more roundtable discussions with SIU's where we can exchange ideas and learn from one another. SFDA has also worked closely with the Contractors State Licensing Board (CSLB) and have received two 3700.5 cases from them recently.

We have also worked collaboratively with SCIF and have developed a good working relationship with their SIU. SCIF personnel have a tremendous amount of knowledge and experience from which we have benefitted. We look forward to continuing that relationship and making it stronger.

Paralegal Valerie Blasi will be sending out 3700.5 letters to businesses in San Francisco. We would like to see 100% compliance with Workers' Compensation Insurance by San Francisco businesses. We have volunteer interns who will assist Ms. Blasi with the 3700.5 program. SFDA Investigators will visit the businesses who fail to respond to our letters.

To uncover and combat premium fraud, SFDA will continue to collaborate with our own Worker Rights attorney, Ernst Halperin. Wage theft and other violations of worker rights often come hand in hand with premium fraud. When we investigate wage theft, we also look for premium fraud. Our insurance fraud attorneys and investigators also collaborate with our Special Prosecutions Unit (SPU). SPU investigates and prosecutes public integrity cases in the San Francisco City government. SPU is currently litigating an insider workers compensation fraud case against a city employee.

Many claimant cases in San Francisco have come from the city's Human Resources Department. SFDA will continue to work with our own city government to educate them on claimant fraud and potential insider fraud and what red flags to look for and how to refer cases to SFDA.

SFDA will be conducting outreach to neighborhood groups to educate them about workers' compensation insurance fraud. We will also use press releases and social media to inform and educate the public and businesses about Workers' Compensation Insurance Fraud. This year, we are also contracting with the DMV to place videos on their monitors. The videos will be in English and Spanish. This is an effective form of outreach and education that is used by many of the other grantees. Every Californian visits the DMV to either process their paperwork for their driver's license or their auto or boat registrations or their RealID. While they wait, sometimes for hours, they are a captive audience that we can educate about Workers' Compensation Insurance Fraud. Hopefully it also reaches some business owners to remind them of their obligations to obtain Workers' Compensation Insurance.

3. Applicant Question: Plans to Meet IC and FAC Goals

What are your plans to meet the announced goals of the Insurance Commissioner and the Fraud Assessment Commission?

If these goals are not realistic for your county, please state why they are not, and what goals you can achieve. Include your strategic plan to accomplish these goals. *Copies of the Goals can be found in the Announcement Attachments, 4g and 4h.*

Applicant Response:

INVESTIGATING AND PROSECUTING MEDICAL PROVIDER FRAUD

SFDA recognizes the importance of combatting the harm caused by medical provider fraud. Medical Provider fraud is a major cost driver and also causes harm to injured workers who may be provided unnecessary or even harmful treatments. SFDA plans to do more outreach to uncover medical provider fraud. We are contracting to place videos at the San Francisco Department of Motor Vehicles (DMV) to provide information on workers compensation fraud to the public. All Californians spend some time at the DMV and are essentially a captive audience while they wait to process paperwork for their driver's license or their car or boat registration. This is a tried-and-true method of outreach that has been used by many of our District Attorney colleagues across the state to reach large numbers of business owners and consumers. Medical provider fraud can be difficult to uncover as people tend to trust physicians. We will work toward getting more education and information to the public in an effort to root out any potentially fraudulent providers. This

protects the employers, workers and the honest physicians.

SFDA has a large medical provider case it began investigating in 2020 through a referral from the city of San Francisco. In December 2023, Investigator Michael Morse completed a three-year investigation into Dr. Gary Martinofsky, Integrated Pain Care and Raisa Rikoshinksy (Martinofsky's assistant and mother-in-law). As a result of the extensive investigation, SFDA along with CDI detectives executed 5 search warrants and 2 arrest warrants. Forty counts of workers compensation fraud were filed. Approximately $25 million in liens, filed by the defendants against multiple carriers, continue to be stayed pending resolution of this case. Unfortunately, Dr. Martinofsky passed away on the eve of a court date last June. The court dismissed the charges against Dr. Martinofsky and the litigation continues against the remaining defendants. This has been one of the most complex investigations our program has conducted and SFDA developed this case with the assistance of partner agencies such as DIR, CDI and the Pharmacy Board, as well as working with multiple SIU's.

PERFORMANCE AND CONTINUITY WITHIN THE PROGRAM

SFDA has experienced staffing changes in the last two years. However, we have consistently maintained the same staffing levels, despite losing staff members to resignation or rotation. Additionally, SFDA continues to assign experienced attorneys and investigators to our program. Managing Attorney Tina Nunes Ober has been assigned to the program for 3 years. When former ADA Alex Fasteau left SFDA, we recruited and hired Jeff Daley, who is very experienced. ADA Zhong has been with the program for 3 years and while she is on leave, ADA Victoria Robinson, a 16-year prosecutor, will be assigned to the grant. ADA Hernandez has been with the program for 18 months and is a 27-year prosecutor. Our investigative staff saw some changes when Investigator Michael Morse was assigned to Urban Auto earlier this year (50% to start) We brought back Investigator Perla Ortiz part-time and added Investigator Koutsoubus part-time. Both investigators are experienced in fraud investigations. Investigator Marisa Sullivan continues to be fully assigned to Workers Compensation Fraud cases and has been with the program for 2 years. She came to SFDA from CDI and is well-versed in investigating Workers Compensation Fraud.

In addition, our program paralegal, Valerie Blasi has been with our program for 7 years. She maintains all of our statistics. She organizes our outreach. She is a steady presence on SFDA's insurance program and has remained so, even when we have had other staff changes.

OUTREACH

This year, SFDA program paralegal Valerie Blasi worked with SFDA's communications and IT team to create educational content on the office's website on the topic of Workers' Compensation Insurance Fraud. This addition to our website will assist the public in understanding insurance fraud and how and when to report it to the District Attorney's office.

SFDA Communications Team also issues press releases on all charged Workers Compensation fraud cases. Press releases are also posted on SFDA social media sites. The press releases act as deterrence for would be fraudsters. And, as SFDA learned with the Martonofsky case, press releases can result in more referrals of suspected fraud. When a press release was issued on the Martinofsky case, SFDA received referrals from multiple insurance carriers of suspected fraud by Martinofsky and Integrated Pain Care, Inc. The carriers became aware of the case through SFDA's press release.

We also use any opportunities to present at fraud seminars and conferences. Last year, Lt. Molly Braun and former ADA Alex Fasteau presented at AFA. They presented over two-hour time blocks on the settled case of *People v. Gina Gregori/GMG Janitorial.* The presentation was well-attended and well-received by the attendees who actively engaged and asked many insightful questions. This was a complex premium fraud case that took many years to investigate and litigate. By presenting on this case, SFDA hopes that we can assist our colleagues across the state should they encounter a similar case.

This fiscal year, ADA's Zhong and Hernandez along with Investigator Micheal Morse presented at CDAA Fraud Symposium on the case of *People vs. Gary Martinofsky, Integrated Pain Care, Inc and Raisa Rikoshinsky.* Investigator

Morse presented on the three-year intensive investigation into the defendants' fraudulent activities. ADA's Zhong and Hernandez presented on the charging and litigation of the case. Additionally, ADA Hernandez and Investigator Morse are slated to present on the *Martinofsky* case at the AFA Conference.

Paralegal Blasi organized a roundtable with SIU's and CDI to discuss Workers Compensation cases and current trends in these types of cases. Educating the public and businesses about insurance fraud and when and how to report Workers Compensation fraud to the District Attorney's Office is one of our goals every year. SFDA will be placing videos at DMV offices in San Francisco. We are hopeful that this type of outreach will raise awareness of insurance fraud and how it impacts our society. We also hope it will serve to inform businesses of their legal obligations to have workers compensation insurance. We also hope it deters potential fraudsters by letting them know the potential consequences.

SFDA continued our participation in the Golden Gate Workers Compensation Consortium (GGWCC) which is a collaborative association of Bay Area District Attorneys 'Offices and justice partners. GGWCC planned and executed a training for SIU's. We will continue to provide education and outreach to SIU's on an individual basis when we discuss cases with them. This fiscal year, Investigator Michael Morse presented to the GGWCC on his investigation of the *Martinofsky* case.

BALANCED CASELOADS

SFDA strives to maintain a balanced caseload. Although we have seen more and more complex cases being referred and fewer standard claimant cases, we work towards prosecuting provable cases, big and small. SFDA is working with the city which is self-insured to root out any potential claimant fraud. We are also litigating a complex case of insider fraud by a city employee who defrauded the city's workers compensation system of over $600,000 which was intended for injured city workers. We are still litigating a large provider fraud case and a smaller provider fraud case. In our investigation queue are some premium fraud cases, including a case involving a towing company and auto body shop engaged in premium fraud amongst other types of fraud.

This year we are increasing our efforts to ensure that all employers are properly insured. We will continue to send out letters to businesses to request verification of workers compensation insurance. SFDA Investigators will make contact with nay businesses that fail to respond. We hope to get all employers in compliance.

JOINT PLANS AND MEMORANDUM OF UNDERSTANDING

We have executed our Joint Plan with CDI as we do every year. The Joint Plan governs our collaborative relationship. Last year we made some changes to accommodate CDI's request regarding recording of witness interviews. This year, neither agency requested changes to the Joint Plan.

SFDA has MOU's with multiple agencies which assist us to obtaining evidence for our cases. We have an agreement with DIR which assisted us with the data in the *Martinofsky* case. We have also worked cooperatively with EDD and NICB, among other agencies. We use ISO on a regular basis in all our insurance cases.

STATUTES AND REGULATIONS

SFDA is fully aware of the applicable statutes and laws with regard to Workers Compensation Insurance fraud. We constantly evaluate and discuss charges in our cases, so we ensure that we appropriately charging cases based on the facts. We also attend training, so we are up to date on current case law, statutes and regulations. If we identify statutes that could work better with some changes, we work with CDAA and SFDA's in-house staff to determine if we would like to lobby the legislature for a change in the law.

STRATEGIC TARGETING EFFORT AGAINST SIGNIFICANT CONTRIBUTORS OF WORKERS' COMPENSATION FRAUD

SFDA has put staffing resources into large complex medical provider and premium fraud cases as we understand they are

the major cost drivers in the workers' compensation system. We take the time, keeping in mind statutes of limitation, to fully and meticulously investigate these complex cases. Additionally, we have made the commitment to assign two attorneys to the most complex cases. We find that allows for continuity and consistency as staffing can change and we will always have an attorney who is well versed on the case facts. This also allows for vacation coverage without having to get another attorney up to speed on the facts.

SFDA will continue to work with our city attorney's office to obtain referrals of claimant fraud cases. The city is self-insured, and fraud effects the city's already stressed budget. Deterring fraud within the city's workers compensation system will save the city funds and ensure that the city has the funds to provide services for city employees who have truly been injured on the job.

4. Applicant Question: Multi-Year Goals

What specific goals do you have that require more than a single year to accomplish?

Applicant Response:

SFDA has seen a shift in the number and types of referrals we are receiving. We are receiving more and more complex referrals of premium and some provider fraud cases versus standard claimant cases. We have a relatively small team and we are stretching resources so that we can successfully investigate and prosecute all provable cases of workers compensation insurance fraud.

Complex cases require more attorney resources, and a goal is to always assign two prosecutors to every complex case so that we maintain consistency, in the event of a staffing change. At some point in the future, we would like to have 2.00 FTE attorney positions so that we can have 4 attorneys at 50% each on Workers Compensation. With 4 attorneys, we can have 2 assigned to each complex case. Having more attorneys will help SFDA to build up its caseloads.

Another long-term goal is to increase education and outreach. We plan to conduct neighborhood presentations and to get out into the city and meet with business owners in person in an effort to educate them on workers compensation fraud and to obtain 100% compliance with workers compensation insurance laws in San Francisco. We will work with SFDA's Workers Rights ADA to ensure that employers are insured in all business sectors in San Francisco. We need to level the playing field for all businesses while ensuring that all workers are protected when they are injured on the job.

We plan to expand our outreach to SIU's so that we have more and better communication to assist in rooting out fraud and effectively prosecuting provable cases, SFDA would like to improve on our collaborative efforts with partners such as NICB and we will look for ways to do that in the coming fiscal year. We also hope to teach at future training programs to share our knowledge and experience with our colleagues across the state and beyond.

5. Applicant Question: Restitution and Fines

Describe the county's efforts and the District Attorney's plan to obtain restitution and fines imposed by the court to the Workers' Compensation Fraud Account pursuant to California Insurance Code Section 1872.83(b)

(4).

Applicant Response:

SFDA seeks restitution in every prosecution in which a victim suffers a financial loss. Restitution is a right under the California Constitution. Moreover, justice demands that victims be made whole and compensated by the defendant for any and all financial losses. Restitution is a priority in all cases.

Where legal and appropriate, SFDA will file a Penal Code Section 186.11(a) enhancement for the taking of over $100,000 or over $500,000. In those instances, we will file a motion for a temporary restraining order, a preliminary injunction, asset freezing seizure and/or appointment of a receiver.

The program attorneys seek the full payment of restitution at the time of guilty plea or sentencing. If the defendant is unable to make full restitution at the time of sentencing, we require a partial payment as a condition of the negotiated plea and we request the court order full restitution as a term and condition of probation. When necessary, we require a payment plan. We always request an order for full restitution (CR-110/111). These court orders may be enforced by the victim as a civil judgment. SFDA program prosecutors work with victims at the earliest possible stage to ascertain the amount of their losses. In addition, we ask the court to order the defendant to fill out and file a declaration of assets (CR-115). The CR-115 will assist the victim in enforcing the civil judgment. If the full restitution has not been paid 90 days prior to the expiration of the grant of probation or the conditional sentence terminates, the defendant must file an updated CR-115.

---

6. Applicant Question: Restitution Numbers

Provide the amount of restitution ordered and collected for the past five fiscal years.

If this information is not available, provide an explanation.

Applicant Response:

Fiscal Year	Restitution Ordered	Restitution Collected
2024-25	$0.00	$0.00
2023-24	$613,786.86	$517,580.42
2022-23	$8,382,788.45	$300,000.00
2021-22	$50,110.00	$50,110.00
2020-21	$80,000.00	$83,695.00
	Total: $9,126,685.31	**Total: $951,385.42**

Applicant Comment:

Unfortunately, we have not had any restitution orders entered this fiscal year. We had changes in attorney staffing in 2024. Additionally, one of our cases that settled in fiscal year 22-23 had an $8, 382,788.45 restitution order entered. However, the defendant's probation was transferred to another county and SFDA has been unable to obtain any information about any payments that may have been made toward that restitution order.

SFDA expects to have a restitution order of over $600,000 from the above-mentioned insider fraud case of *Stanley Ellicot*.

7. Applicant Question: Utilization Plan Related to Unexpended Funds

If you had any unexpended funds from FY 23-24 (Overview Questions 2 & 3), address the below question(s). If you did not have any unexpended funds from FY 23-24, mark N/A.

1) You must address if you are on track to expend all of your Total Funding for FY 24-25. This includes your FY 24-25 Awards and FY 23-24 Approved Unexpended Funds.

2) If you are not on track to expend your Total Funding and you are not asking for a corresponding reduction in your grant request, please explain.

Applicant Response:

SFDA had unexpended funds from fiscal year 23-24 which were not carried over to this fiscal year. In reviewing our current spending for fiscal year 24-25, we are not on track to spend all of our funds. At this time, we do not expect to request to carry over any unspent funds. We are requesting the same funding level. We anticipate that our attorneys will be litigating more cases next fiscal year as we expect to file one large complex case and some standard cases before the end of the current fiscal year.

8. Applicant Question: Utilization Plan

Your budget provides the amount of funds requested for Fiscal Year 25-26.

Provide a brief narrative description of your utilization plan for the Fiscal Year 25-26 requested funds.

If an increase is being requested, please provide a justification. Any information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

Grant funds are used primarily for salary and benefits of grant staff. The proposed 25-26 budget anticipates 2 full FTE positions for District Attorney Investigators. We plan to fill the positions with three investigators. Investigator Marisa Sullivan will be assigned 100% to the grant. Investigator George Koutsoubus will be assigned 50% and Investigator Perla Ortiz will be assigned 50% to the grant.

Three prosecutors will be assigned to the grant, and we are requesting 1.35 FTE for attorneys. All of the grant attorneys are top step, experienced attorneys with decades as prosecutors in various District Attorney's offices in California and other states.

SFDA has been receiving more complex cases over recent years. These cases require more resources to both investigate and to litigate. SFDA also prefers to assign two prosecutors to large cases to make sure that we have consistency in our cases and in the event of staff changes, we will always have one attorney who will remain assigned.

Funds are also used for training. Attorneys and investigators will attend AFA Conference and the CDAA Fraud Seminar. We also attend various training events throughout the year. We will also use funds to assist us in outreach.

9. Applicant Question: Uninsured Employers

Describe the county's efforts to address the problem of uninsured employers.

Local district attorneys have been authorized to utilize workers' compensation insurance fraud funds for the investigation and prosecution of an employer's willful failure to secure payment of workers' compensation as of January 2003.

Applicant Response:

In past years we used unfunded interns to send out letters to San Francisco businesses to inquire if they have Workers' Compensation Insurance. In the current fiscal year, SFDA paralegal Valerie Blasi is sending out letters to San Francisco businesses. Each month we research a type of business and randomly select ten businesses to which we will send a letter. Generally, we receive affirmative responses from the majority of the businesses. The businesses that fail to respond will be sent another letter. If no response is received to the second letter, an investigator will visit the business and attempt to obtain proof of the necessary insurance. If the business does not have insurance upon the investigator's visit, we will allow the business an opportunity and a deadline by which it must purchase and show proof of Workers' Compensation Insurance. We will initially work with businesses to get them into compliance, prior to resorting to criminal prosecution.

We plan to continue to utilize this approach. We feel that educating our businesses about the legal requirements and affording them the opportunity to comply is the best approach as the goal is that all businesses are properly insured in order to protect all workers in San Francisco.

We also continue to coordinate with the Workers' Rights prosecutor who is connecting with unions and other community groups involved in assisting workers in San Francisco. Often the unions and the workers will report when an employer does not have insurance or if the worker was told not to file a Workers Compensation claim for an injury.

SFDA also received referrals from the Contractors State Licensing Board (CSLB) for employers who were uninsured. We will pursue prosecution in those cases, if they are provable beyond a reasonable doubt. We are currently reviewing two such referrals and working with CSLB investigators.

Sub Section Name: Training and Outreach

1. Applicant Question: Training Received

List the insurance fraud training received by each county staff member in the workers' compensation fraud unit during Fiscal Year 24-25.

If it is a multiple day training/conference (e.g. CDAA, AFA, etc.), only one entry is required; enter the first day for the "Training Date" field.

For the "Hours Credit" field, enter the combined total hours of credit for all attendees.

Applicant Response:

Number of Personnel	Training Date	Provider	Location	Topic	Hours Credit (combined total)
6	10/22/2024	CDAA	Santa Rosa, CA	Various Fraud	112.5
4	02/19/2025	GGWCC	virtual & San Mateo	Workers Compensation/premium fraud	6
6	10/15/2024	GGWCC	virtual	Workers' Comp Insurance Fraud/medical provider	15
2	10/01/2024	NICB	Chicago, IL	Workers Comp Insurance Fraud/medical provider	32

2. Applicant Question: Training and Outreach Provided

Upload and attach the Training and Outreach Provided form in Excel; label it "25-26 WC (county name) Training and Outreach Provided". Do not include training *received*; **only list training and outreach provided in FY**

24-25 as outlined in the outreach definition below.

- For the number of Attendees / Contacts list only ***numbers***; no other characters. Estimate the number as best you can. The data provided on this Excel sheet is compiled and presented to the Insurance Commissioner as Outreach is a focus of the Commissioner's Goals & Objectives.
- For the purposes of the insurance fraud grant programs, "outreach" is defined as: Any activity undertaken by a grant awardee to inform and educate the public on the nature and consequences of insurance fraud and the training and sharing of best practices with industry stakeholders and allied law enforcement agencies. The results will be crime prevention, the generation of quality referrals from the public, business community, insurance industry, and law enforcement, and improved strategies for the investigation and prosecution of insurance fraud.
- *If, in the form, you listed any "Other, Specify" provide a brief explanation here; other additional comments are optional. The blank form is located in the Announcement Attachments, 1a.*

Applicant Response:

Label attachment "25-26 WC (County) Training and Outreach"

Attachment:

25-26 WC San Francisco Training and Outreach Provided.xlsx - EXCEL DOCUMENT

---

3. Applicant Question: Future Training and Outreach

Describe what kind of training/outreach you plan to provide in Fiscal Year 25-26.

Applicant Response:

In fiscal year 25-26, SFDA hopes to conduct presentations with community/neighborhood groups to educate the public on workers compensation insurance fraud issues. We will also continue to have SIU roundtables on a regular basis along with providing individual education to SIU's by having specific case discussions. We look forward to strengthening our relationship with SCIF and having more regular case review meetings with them.

Additionally, we plan to run videos at the Department of Motor Vehicles (DMV) to educate the public and provide contact information for the public to report suspected fraud. These videos will also raise awareness of insurance fraud and the red flags of fraud. They will run in both English and Spanish.

SFDA will continue to look for opportunities to present at conferences whenever possible. Managing Attorney Tina Nunes will be participating on a panel discussing Workers Compensation Fraud at NICB's Training Program in May of 2025. Investigator Michael Morse and ADA Hernandez will present on the *Martinofsky* case at the AFA conference this year.

We will continue to utilize press releases to provide education and deterrence. We will use our social media resources to provide information on charged cases.

We will continue to work with the GGWCC to provide training to our colleagues and to SIU's.

SFDA has a worker rights unit which prosecutes cases of wage theft. Our team will work collaboratively with that unit to uncover and charge uninsured employers and those committing premium fraud. As we know often wage theft and insurance fraud go hand in hand,

---

Sub Section Name: Joint Plan

---

1. Applicant Question: Joint Plan

Upload your WC Joint Plan and label it "25-26 WC (county name) Joint Plan".

Each County is required to develop a Joint Plan with their CDI Regional Office, to be signed and dated by the Regional Office Captain and the Prosecutor in Charge of the Grant Program. Please note, the joint plan you upload is a tentative agreement pending execution of a Grant Award Agreement (GAA) signed by the authorized parties. Additional information is in the Announcement Attachments, 3c, and also copied into the attached instructions to this question.

Applicant Response:

Confirm signed and dated by all parties.

Attachment:
25-26.JointPlan.SFDA.docx - WORD DOCUMENT

Section Name: Investigation Case Reporting

Sub Section Name: Investigation Case Information Relating to Questions

---

1. Applicant Question: County Plan Confidential Investigation Details

If you discussed any confidential cases throughout the County Plan section and provided a reference number, please include additional confidential details on an attachment uploaded here.

The reference number/citation used in the County Plan narrative responses should be repeated in your document upload. Task Force cases should specifically name the task force and your county personnel's specific involvement / role in the case.

Upload your own attachment and label it ***"25-26 WC (county name) County Plan Confidential Investigation Details" upload and mark confidential, then attach to this question. If no investigation information was referenced, mark the N/A response.***

Applicant Response:

Not Applicable

Applicant Comment:
Not Applicable

Sub Section Name: Reporting on All Investigations

---

1. Applicant Question: Investigation Case Activity Report (ICAR)

Download Announcement Attachment 1bii, label it "25-26 WC (county name) ICAR" upload and mark confidential, then attach to this question.

This document requires information regarding each investigation case that was reported in the DAR, Section III C (Investigations). Two of the three reporting components ask for case counts only. The total of the case counts in Part 1 and Part 2, along with the number of case entries in Part 3, should equal your total investigation case count reported in the DAR section III (Investigations). The blank form is located in the Announcement Attachments, 1bii. Do NOT substitute

descriptions in Part 3 in lieu of case counts for Part 1 and Part 2.

Reminders:

1. *The total of the case counts in the ICAR Parts 1, 2, and 3, should equal your total investigation case count reported in the DAR Section III.*
2. *Vertical Prosecutions should not be counted as an Investigation or a Joint Investigation.*

Click the "SHOW INSTRUCTIONS" link above to view directions on how to properly complete the report.

Applicant Response:
25-26 WC SF. Investigation Case Activity Report ICAR.docx - WORD DOCUMENT

Sub Section Name: New Investigation Information for Cases in Court

---

1. Applicant Question: Cases in Court Investigation Case Activity

Do you have NEW Investigation Information for cases that started the year in prosecution that you want to include? This section is optional.

*If you do have cases to report, download Announcement Attachment 1c, label it "**25-26 WC (county name) Cases in Court Investigation Case Activity**" **upload and mark confidential, then attach to this question.***

Provide only investigation information for case(s) that started the fiscal year in prosecution, but required additional investigation during the reporting period. ***Other than current status, no prosecution case information should be included.***

Applicant Response:

No

Section Name: Acknowledgment

Sub Section Name: Acknowledgment

---

1. Applicant Question: Acknowledgment

For purposes of the grant application process and Grant Award Agreement (GAA), the term "application" refers to the grant application and its Funding Announcement Attachments including, but not limited to, the Budget Instructions, Grant Requirements, and Fact Sheets.

Applicant Response:

I acknowledge
