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November 9, 2021

By Mail and Email: Alexander.Bustamante@ucop.edu

Mr. Alex Bustamante
Senior Vice President,
Chief Compliance & Audit Officer
University of California
Retirement Administration Service Center
P.O. Box 24570
Oakland, CA 94623-1570

Re: Request for Audit of Charles A. Harold, Jr. files

Dear Mr. Bustamante,

I represent Charles A. Harold, Jr. a former UCLA peace officer and whistleblower. This letter requests that UCLA reverse UC's action from 2015 when it erroneously and improperly changed Mr. Harold's disability income status to a service retirement and stopped paying for his medical insurance and to undertake the related audit regarding his personnel and disability status records.

This matter has a long history, the details of which my client can provide upon request. An abbreviated background: In 1992, Mr. Harold blew the whistle on the UCLA Police administration resulting in the termination of the chief and his command staff. In January 1996, Mr. Harold was injured while on duty with the UCLA Police Department. Following an altercation, he was taken by ambulance to the Ronald Reagan UCLA Medical Center where a doctor told him he had a torn meniscus in his knee, injured his back, and suffered other injuries. UCLA's physician placed Mr. Harold on medical leave. The police department stopped paying him his monthly salary and Mr. Harold filed a worker's comp case.

The worker's comp case proceeded slowly, finally settling in March of 2003. The terms of the settlement were: a disability retirement; paid health insurance for him and his family for life; a concealed weapons permit; and a lump sum payment of \$10,000. Henceforth, UC started paying Mr. Harold a tax free disability income of approximately \$3,000 per month plus his

health care premiums, which were not deducted from his monthly disability payments. He received his concealed weapons permit as well. For over a decade, the settlement was carried out pursuant to its terms.

During 2014 and 2015, however, glitches started to arise when UC asked Mr. Harold to file for Social Security Disability status and Medicare. He did not qualify for Social Security or Medicare disability and so informed UC several times.

During this same period, Mr. Harold started receiving letters from a third-party worker's comp adjusting company representing UC. In these letters, a woman stated Mr. Harold was required to appear for a medical examination for fitness for duty to see if he qualified for "Disability Income." Mr. Harold explained to the adjuster that *his settlement status had no such requirement*. The woman said she knew nothing about a lawsuit or worker's comp settlement agreement. She added that Mr. Harold was required to appear for a medical examination, or UC would stop his monthly disability payments.

In 2015, Mr. Harold contacted UC "At Your Service" to discuss the threatened cancelation of his disability status and income. *At Your Service had no records reflecting Mr. Harold's worker's comp case or settlement agreement*. At Your Service explained to Mr. Harold that his 21 years of service with the police department had been reached because they combined his active-duty time with his disability time. They told him that after 21 years of service, he was eligible for a "Service Retirement Income" which meant he could take a \$400,000 lump sum payment or choose to receive monthly payments. If he accepted this retirement offer, he was not required to submit for a medical exam.

When Mr. Harold questioned the At Your Service representative specifically about his medical insurance, he was assured that UC would continue to pay for his medical insurance because they had been paying for it under disability income previously.

On March 2, 2015, the UC Office of the President, Retirement Administration Service Center sent Mr. Harold a letter regarding his disability status. The letter explained his options for converting his "Disability Income" to "Retirement Income," stating,

"Unlike UCRP Disability Income, Retirement Income is a lifetime benefit. If you choose a monthly income, you may continue your UC sponsored medical, dental, legal and/or vision if enrolled. If you are subject to Graduated Eligibility, any years of service you accrued while receiving Disability Income will be credited towards the percentage of UC contributions to your insurance (please note there is no UC contribution towards the legal or retiree vision plans)."

The letter also stated Mr. Harold's Highest Average Plan Compensation (HAPC) was \$3,601.57 (an amount above the original \$3,075.98 monthly payment).

Mr. Harold was already enrolled in UC sponsored insurance under "Disability Income" and that enrollment was paid for by UC. The language in their letter, "If you choose a monthly

income, you may continue your UC sponsored medical, dental, legal and/or vision if enrolled,” coupled with verbal statements from UC At Your Service employees, led Mr. Harold to reasonably believe his medical insurance premium would continue to be paid by UC.

Relying on statements from UC employees, the March 2, 2015 UC letter, and the April 2, 2015 “Retirement Estimator,” Mr. Harold filed the required paperwork for “Retirement Income” believing he had no choice but to convert or lose his benefits entirely.

Mr. Harold’s monthly receipts then shrank from approximately \$3,000 per month tax free to \$1,300 a month taxable. \$1,300 a month was approximately \$1,000 less than the “Estimated lifetime monthly payment to you” of \$2,341.04.

When Mr. Harold called to obtain an explanation, he was told that his medical insurance premium was deducted from his base pay and that he was now paying his health insurance. Mr. Harold explained this was not what he was told, not what was indicated in writing, nor was that consistent with his previous medical “Disability Income” status and settlement.

Internal UC software upgrades and well publicized UC health care system data breaches may have played a role in UC and the third-party worker’s comp adjusting company changing Mr. Harold’s “Disability Income” status and stopping payment of his medical insurance premiums. UC Employee Ida Fong herself told Mr. Harold that past UC records had been lost during computer upgrades and she had no way to investigate his claim that his medical insurance was to be paid by UC.

On February 24, 2021, Ida Fong of UC Benefits called Mr. Harold about his son Max’s health insurance coverage. The UC System had Max incorrectly checked off as “disabled.” Mr. Harold explained that Max has never been disabled; however, my client Mr. Harold had a disability rating and “Disability Income” from the UCLA Police Department (retroactive to 1996) before it was converted to “Retirement Income” back in 2015.

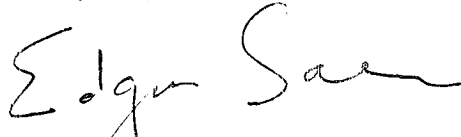
On March 18, 2021, Ida Fong call Mr. Harold again. She told him that he would be receiving a refund check from UC for overpayment of health insurance premiums for his son Max. Harold asked Ida to correct his record and re-list him (Harold) as “disabled” which would then reinstate UC paying for Harold’s medical insurance. Ida explained that when UC upgraded their computer systems several years ago, old records were lost and not recovered so she could not look up any information about Harold’s original worker’s comp case and disability status.

It appears that when Ida Fong revealed the erroneous disability status of Max, she provided an explanation as to how and why UC stopped paying Harold’s medical insurance premiums.

In addition, we are aware of the UC data breaches and the UC computer system upgrade challenges over the past few years. This may explain why Harold’s disability retirement status was changed from UC paying his health insurance premiums to Harold paying his own.

Accordingly, this requests that your office conduct: (1) an audit of his worker's comp and disability income case to determine Harold's status; (2) an audit to determine what "Personally Identifiable Information" belonging to Harold was breached during the UC data breaches over the past several years; and (3) an audit of Harold's internal UC records within At Your Service to determine what records were lost during internal computer system upgrades. (4) Finally, this seeks reversal of UC's arbitrary 2015 action when it improperly changed Harold's disability income status to a service retirement and stopped paying for his medical insurance. My client and I thank you for your attention to this matter.

Very truly yours,



Edgar Saenz, Esq.

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cc: Mr. Charles A. Harold