



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** District Attorney  
**Department No.:** 021  
**For Agenda Of:** December 12, 2023  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

---

**TO:** Board of Supervisors  
**FROM:** Department Director: John T. Savrnoch, District Attorney, (805) 568-2308  
Contact Info: Michael Soderman, Chief Financial & Administrative Officer, (805) 568-2303  
**SUBJECT:** Renewal of Agreement with California Department of Insurance for Life and Annuity Consumer Protection Program Grant, Fiscal Year 2023-2024

---

**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Adopt and authorize the Chair to execute a Resolution approving, ratifying, and authorizing the District Attorney, or designee, to execute a Grant Award Agreement with the California Department of Insurance (DOI) for the Life and Annuity Consumer Protection Program, for the award period of July 1, 2023 through June 30, 2024, in the amount of \$53,500;
- b) Approve and authorize the District Attorney, or designee, to execute any future amendments to extend the term of the Grant Award Agreement through December 31, 2024, or to increase the grant award in an amount not to exceed an additional \$50,000, with the concurrence of Risk Management, County Counsel, and Auditor-Controller; and
- c) Determine that the above recommendations are not the approval of a project that is subject to environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

The Life and Annuity Consumer Protection Program (LACPP) is a State Department of Insurance program that provides funds to District Attorneys for the identification, outreach, victim advocacy, enhanced investigation, and prosecution of life insurance and annuity financial abuse by insurance licensees or persons holding themselves out to be insurance licensees, or any person purporting to be engaged in the business of insurance.

Board approval is required to receive grant revenue and continue this program in Fiscal Year 2023-24. To meet state deadlines and properly receive the grant funding, the District Attorney preliminarily executed the grant agreement pending formal authority from the Board of Supervisors. The Resolution is due to the DOI by December 31, 2023.

**Background:**

In 2004, the State of California enacted the Life and Annuity Consumer Protection Program, to curb life insurance and annuity financial abuse, particularly against senior citizens. This program is funded by an assessment on all newly issued life insurance and individual annuity policies sold to California residents. A portion of these funds are distributed to District Attorneys throughout California for the prosecution of life insurance and annuity fraud cases.

This grant will continue to provide partial funds for two part-time Deputy District Attorneys (DDA) who will assist in the identification, investigation, and prosecution of life and annuity financial abuse. The DDAs will act as liaisons to local law enforcement and the Department of Insurance when cases of potential abuse are discovered.

**Performance Measures:**

Each district attorney receiving annual funds pursuant to Section 10127.17 of the California Insurance Code must submit reports to the Insurance Commissioner on the local program and its accomplishments. During Fiscal Year 2022-23, the Santa Barbara County District Attorney’s Life and Annuity grant program had two active cases; both were at the pre-trial stage. Both cases were complex fraud cases with millions of dollars of damages. This year, the Office secured \$250,000 in restitution, as well as two felony convictions in the *People v. Erica Salda and Wendy Foster* case, compensating the estate of the victim for a decade-long fraud scheme.

**Fiscal and Facilities Impacts:**

Budgeted: Yes. Revenues and expenditures are included in the Fiscal Year 2023-24 Adopted budget.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State	\$ 53,550.00		
Federal			
Fees			
Other:			
Total	\$ 53,550.00	\$ -	\$ -

Grant funds from the DOI Life and Annuity Consumer Protection Program grant will partially fund one existing part-time DDA III (0.15 FTE) and one existing part-time DDA SR (0.06 FTE) who will work on annuity insurance fraud efforts Countywide.

Fiscal Year 2023-24 grant funding totals \$53,550. This includes \$52,952 in Salaries and Employee Benefits and \$598 in operating costs associated with the program. Operating costs cover a portion of the program's expert witness fees. There is no match requirement for this award.

**Key Contract Risks:**

The District Attorney has been awarded this grant annually from the California Department of Insurance for multiple years. There is minimal risk to the County.

**Staffing Impacts:**

None. Grant funds will partially fund one existing part-time DDA III (0.15 FTE) and one existing part-time DDA SR (0.06 FTE).

**Special Instructions:**

Please return one (1) Minute Order and one (1) copy of the fully-executed Resolution to John DeAlba, DA Department Business Specialist.

**Attachments:**

Attachment A: Resolution

Attachment B: Grant Award Agreement

**Authored by:**

John DeAlba, Department Business Specialist, (805-568-2434)