



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: June 4, 2024
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: California Department of Insurance Grant Program for Fiscal Year 2024-25: Life and Annuity Consumer Protection Program

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 a Resolution authorizing the District Attorney to submit an application and, if awarded, execute a Grant Award Agreement with the California Department of Insurance for the Life and Annuity Consumer Protection Program, for the award period of July 1, 2024 through June 30, 2025, with an anticipated award of \$53,500, up to a maximum grant award amount of \$175,000;
- 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, 2025, 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.

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.

At this time, the actual grant award amount is unknown as the application is not yet due and the grant funds have not yet been awarded; therefore, the District Attorney’s Office is requesting Board approval to apply for the maximum grant award amount of \$175,000. Historically, the grant award amount has been less than what was requested, and based on prior awards it is estimated at \$53,500 for Fiscal Year 2024-25.

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.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 175,000.00		
Federal			
Fees			
Other:			
Total	\$ 175,000.00	\$ -	\$ -

The maximum grant award amount of \$175,000 represents the requested amount that the District Attorney's Office plans to apply for. It is anticipated that grant funds from the DOI Workers' Compensation Insurance Fraud Program will continue to 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. Based on prior awards, the award for next fiscal year is estimated at \$53,500. Accordingly, revenues and expenditures of \$53,500 are included in the Fiscal Year 2024-25 Recommended Budget.

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. If the anticipated award amount is received, grant funds will continue to partially fund two existing staff.

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

Authored by:

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