‘A false front’: The California agency failing to stop conservatorship abuses

April 9, 2026; updated April 16, 2026

By Byrhonda Lyons, CalMatters

This story was originally published by CalMatters. Sign up for their newsletters.

When Bruce Knopf needed someone to oversee his brother Vinyasi’s special needs trust in 2012, he said, he turned to Donna Bogdanovich because she was licensed by California.

As a professional fiduciary, Bogdanovich was paid to manage Vinyasi’s money.

But over time, she stopped paying the bills, and the consequences piled up. His car broke down. He faced eviction. “There were times I went without food,” said Vinyasi, who legally goes by one name.

So he turned to the Professional Fiduciaries Bureau, the place Californians are supposed to rely on in situations like these. Vinyasi filed a complaint in June 2019, alleging that Bogdanovich had not paid his rent and was “habitually” late paying his other bills.

The bureau didn’t take action against her at the time, and Vinyasi said he eventually became homeless.

It turns out that Vinyasi wasn’t alone. The bureau started getting complaints about Bogdanovich just months after the agency awarded her a license, giving her the authority to control the finances and lives of vulnerable people deemed unable to take care of themselves.

Over the years, the bureau fined her multiple times for not providing records during an investigation and operating with an expired license. In fact, about a year before Vinyasi’s complaint, someone warned the bureau that Bogdanovich

was transferring money between client accounts, but the complaint didn't go far. The bureau closed the complaint because it didn't have contact information for the alleged victim. Bogdanovich maintained power over Vinyasi's life.

Years later, even after police stepped in and arrested her on charges of stealing $2.5 million of her clients' funds, Bogdanovich maintained total control over Vinyasi's finances for nearly 10 more months before she resigned.

Two decades ago, the California Legislature designed the Professional Fiduciaries Bureau after a Los Angeles Times investigation showed judges were not preventing abuse and insider dealing. The state gave the bureau the responsibility to license fiduciaries, enforce the law and uphold ethical standards.

An ongoing investigation by CalMatters, based on a review of probate court records, agency documents and interviews with scores of affected families, found that the agency has failed to fulfill its vital promise to protect Californians, even as the state's population ages.

It hasn't stopped conflicts prohibited by its own code of conduct or outrageous behavior by California fiduciaries, frustrating desperate families trying to protect their loved ones and hold on to their family wealth.

The information it maintains on fiduciaries is often kept secret or is sometimes inaccurate, giving the people who rely on the industry little information about who they should — and shouldn't — trust. The agency operates largely on an honor system, leaving it to fiduciaries to report publicly whether they've been removed from a case for misconduct.

The bureau itself has puttered along with no leader and a few employees. Gov. Gavin Newsom hasn't filled its open chief position for a year and a half. In fact, it has just one employee at the moment, because two of its other three positions are also vacant, an agency spokesperson told CalMatters. The bureau oversees nearly 900 licensed fiduciaries; it said it also gets support from its parent agency, the Department of Consumer Affairs.

In 2025, the agency received 174 complaints. The bureau can fine and cite fiduciaries for violations such as late annual statements and inaccurate information relatively quickly. In 2025, the bureau took 58 days, on average, to issue a citation.

However, seriously punishing a fiduciary usually takes longer. That same year, the bureau took, on average, more than two years from the time of a complaint to suspend, revoke or surrender a license.

The bureau has revoked the licenses of five fiduciaries since 2022, according to the agency's annual reports.

"Why put up a false front that they're there to serve a purpose? They don't serve any purpose," Vinyasi said. "Even if you couldn't fix the problems, at least erase the lie that they're there to do something, because they don't do anything."

CalMatters tried to speak with someone at the agency for over a year for this series, but the Department of Consumer Affairs would not make anyone available for an interview, citing its open director job.

Newsom's spokesperson, Izzy Gardon, said in an email that the governor is "actively recruiting to fill the position."

Bogdanovich's scheme didn't unravel until a victim went to the Los Angeles Police Department in 2022.

All told, she pleaded no contest to taking more than $160,000 from Vinyasi and over $1 million from her other clients, court records show, continuing to funnel their money to her accounts even after the bureau placed her on probation.

At the bureau's request, the court suspended Bogdanovich's license weeks after she was arrested, while the agency waited for a hearing to revoke her license. The suspension didn't remove her from any of her appointments.

The bureau's records indicated that Bogdanovich was managing 24 open cases and $2.8 million in assets while she sat in jail, a bureau investigator told the court

in a March 2024 letter. The state eventually revoked Bogdanovich's license four months after her arrest.

In response to questions, agency spokesperson Monica Vargas said in an email that "the Bureau must do its due diligence to gather facts and collect evidence to take action against a license."

Bogdanovich eventually was sentenced to four years in jail and four under supervision. She did not respond to CalMatters' request for an interview.

For years, as the bureau investigated Bogdanovich, she avoided serious punishment simply by not cooperating, according to the bureau.

At the time, the agency didn't have the authority to revoke a license for refusing to respond to an investigation.

The Legislature closed that loophole in 2023. At the same time, the bureau got the Legislature to further restrict the information it can share with the public.

The bureau cannot share publicly:

- Whether the fiduciary has a business or family relationship with companies hired with their clients' money and any details about that connection.
- Whether a court has found that a fiduciary breached their duties.
- Case numbers or details when a fiduciary was removed or resigned from a case or agreed to a settlement after a dispute.

Instead of receiving details that would show a fiduciary's past issues, the public can only see a document that's essentially a wall of black ink, with only yes-or-no boxes that may or may not be accurately checked.

A 2021 law is supposed to require courts to notify the bureau if judges punish fiduciaries for abusing their license, but it only goes into effect if the lawmakers fund it. They haven't, according to a spokesperson for the Judicial Council, the policymaking body of California courts.

Carole Herman, an advocate who helped start the bureau, said the Legislature should take a look at it. “They’re insufficiently staffed and funded,” Herman said. “Nobody is really monitoring like they should.”

She thought the bureau would provide strong oversight. “But that’s not how it turned out,” she said.

‘I plead the Fifth’

If you read Leyla Zabih’s annual statements, you’d have no idea she resigned as a conservator after a family objected to her spending and then didn’t follow a court-approved settlement agreement.

Nancy Encarnacion’s family and Adult Protective Services had worked together to move the 83-year-old to assisted living in 2019 because she and her husband couldn’t afford 24-hour home care.

Later that year, Zabih petitioned the court to be Encarnacion’s conservator, saying that Contra Costa County Adult Protective Services had notified her that Encarnacion wasn’t capable of taking care of herself.

Zabih told the court that Encarnacion was at risk of being kicked out of the facility if she didn’t have a conservator to manage her care and finances. Probate law requires that family members be notified when someone files for a temporary conservatorship, but Zabih requested an exemption, citing medical and financial emergencies.

Encarnacion herself wasn’t outright against the conservatorship, but she didn’t want Zabih in charge after finding her to be “rude and bossy,” Encarnacion’s attorney told the court.

A judge approved Zabih’s petitions. Encarnacion’s relatives, on the East Coast, said they were taken aback by how quickly they lost control of Encarnacion’s life.

After the family complained about Zabih hiring an unlicensed contractor to remodel Encarnacion’s home, court records show Zabih denied it. She portrayed the family as meddling, saying “the steady stream of negative and critical input

we receive from Nancy's extended family has become extremely counterproductive."

A few months later she conceded the family was correct about the unlicensed contractor, court records show.

The family grew concerned after learning that Zabih sold Encarnacion's Chevron stock at a significant loss, paid for 24-hour care while Encarnacion lived in a care home that provided nursing services, and fell behind on paying the rent to the facility, according to an objection that family members filed with the court.

Barreling towards an expensive legal fight, the two sides agreed to a settlement: Zabih would file a final accounting of Encarnacion's money and resign. The elderly woman's niece would take over and not report Zabih to the bureau.

Even though the bureau's rules prohibit licensed fiduciaries from entering into agreements that limit someone's ability to file a complaint, Judge Susanne M. Fenstermacher approved the settlement in November 2020. Zabih resigned, and Encarnacion died about a month later.

In 2022, court records show, Zabih was not adhering to the agreement. She had not filed a final ledger of Encarnacion's money, forcing the case back to court.

The court found that Zabih was "in breach" of the settlement agreement and ordered her to explain why the court shouldn't report her to the bureau for "failure to account and failure to comply with a Court-approved settlement agreement," a temporary judge wrote in November 2022.

She filed the final accounting a month later.

Zabih requested $9,000 in addition to $13,000 she'd already received in compensation.

The family objected and alleged that Zabih employed one of the registered nurses it used for Encarnacion's care and didn't disclose the relationship. The court record does not reflect that Zabih responded to the objection, and she did not respond to CalMatters' question about it.

Fenstermacher did not approve Zabih's accounting of Encarnacion's money and denied Zabih's request for additional pay, saying in an order that "the compensation requested did not benefit the conservatee or her estate."

The family also asked Fenstermacher to report Zabih to the bureau for "failure to properly account, provide receipts and invoices, disclose affiliate relationships with caregivers/agents she hired, and comply with the terms of a Court-approved settlement agreement," according to the order. But Fenstermacher scribbled out that entire paragraph in the final order.

"I feel like Leyla Zabih should not be a professional fiduciary," said the family's attorney, Cara Lankford, in an interview.

As all of this unfolded, Zabih's annual statements to the bureau made no mention of it.

When asked on her 2021 annual statement if she'd resigned or settled in a case where a complaint had been filed, she checked "no" in response to both questions.

When CalMatters asked Zabih why she didn't tell the bureau about her resignation, she said, "I plead the Fifth."

She stood by the care she gave Encarnacion. "I miss Nancy," she said.

The agency said it relies on its fiduciaries to be transparent.

"Licensees attest to the information they've submitted is truthful and accurate," Vargas said. "If the Bureau becomes aware of information provided that was not accurate, it will open an investigation."

Encarnacion's family eventually filed two complaints against Zabih, for hiring an unlicensed contractor and not following the court-ordered agreement.

The bureau cited her in 2023 and 2024 for not filing timely annual statements and operating with an expired license. The citations do not mention her failure to report the settlement or her resignation.

In an interview, Zabih blamed her late annual statement on covid-19, saying she was busy “out holding your parents’ and grandparents’ hands during the pandemic.”

‘I’m not practicing, I’m just finishing’

While late annual statements are often deemed a minor citation, cases reviewed by CalMatters show that fiduciaries who face disciplinary action for more serious offenses often have a previous record of filing late, inaccurate and incomplete annual statements.

Take Iris Hecker, for instance. She had submitted late annual statements to the bureau for nearly a decade.

But the bureau didn’t start investigating until someone complained about how she handled a case in 2022.

That year, Hecker approached Betty Stagnaro while she was in a nursing home receiving rehabilitation for back pain, according to an account Hecker gave to the bureau. Stagnaro, who was 93, had dementia.

Hecker told the state that the nursing home administrator and a private care manager found the friend whom Stagnaro had designated to make her medical decisions “very difficult to work with” and asked Hecker to take over. She said the home wasn’t being paid for Stagnaro’s stay.

Hecker had Stagnaro sign documents to make the switch from the friend.

Unlike conservatorships, which are public and are overseen by a judge, agreements like these are typically private and don’t automatically have court oversight.

However, there were multiple issues with the documents that Stagnaro signed, according to the bureau’s investigation. A patient advocate or ombudsman was

not present to witness the signature at the nursing home, as they are supposed to be under state law.

Hecker also didn't have anyone assess whether Stagnaro was fit enough to sign documents, investigators found.

But the signature put Hecker in charge of Stagnaro's finances and health care.

Within three months, Hecker sold the elderly woman's condo and got rid of her personal belongings. She also isolated Stagnaro from her friends while hiring people to provide her with companionship. She later admitted to lying to a bank to create a trust account for Stagnaro, even though the woman didn't have a trust, according to the bureau's investigation.

In addition, Hecker paid herself $65,000 in advance fees and admitted to the bureau that the amounts she withdrew from Stagnaro's accounts as advance payments were "excessive," according to the bureau's investigation. She also submitted inaccurate invoices, charged Stagnaro for duplicate services, and billed Stagnaro for her time dealing with an investigation the San Mateo Police Department and the county ombudsman were conducting over her handling of Stagnaro's case, according to the bureau.

Hecker provided "no credible support for the fees she collected against the advance payments," the bureau found.

Around the same time, the bureau audited Hecker's license and discovered that, in addition to her late statements, she had previously worked with an expired license for over a year, according to bureau records. The bureau fined her $5,000.

Hecker told CalMatters that "there was no impropriety." She said she believes the bureau is important because "there's a lot of abuse." Hecker said that she was "too tired to fight" the bureau's accusations, and she agreed to surrender her license at the end of 2024.

But that didn't stop her from working as an unlicensed fiduciary, which someone

can do under very limited circumstances, according to state law.

Even though the settlement required her to resign from her positions and confirm her resignation with the bureau, it's unclear whether she ever did. Those records are not public, and the bureau would not answer questions about Hecker.

Last month Hecker signed a document selling her now-deceased client's San Francisco home for $2.25 million.

When asked about it, Hecker said, "I'm not practicing, I'm just finishing."

This article was originally published on CalMatters and was republished under the Creative Commons Attribution-NonCommercial-NoDerivatives license.

Saved text copy prepared October 31, 2026. Article wording and embedded source links are preserved. Photos and illustrations are available in the original report.

Original report: https://calmatters.org/investigation/2026/04/california-professional-fiduciaries-bureau/