



## California Corporate & Securities Law

# CalPERS' Annus Horribilis: How Much Worse Will It Get?

Posted In [CalPERS/CalSTRS](#)

6/13/2011

The news keeps getting worse for the nation's largest public pension fund – the California Public Employees Retirement System. On Saturday, *Los Angeles Times* reporter Marc Lifsher reported in this [story](#) that CalPERS has adopted a policy of destroying emails after just 60 days. This is a remarkably short time period. The Securities and Exchange Commission, for example, requires investment advisers to maintain most records for five years pursuant to Rule 204-2.

What makes the story even more startling is the fact that CalPERS implemented this policy last year while allegations of misconduct were swirling about the fund. Indeed, the last year has seen allegations of misconduct are besetting CalPERS and its former and current officials on numerous fronts:

- On May 6, 2010, then Attorney General Jerry Brown filed this [lawsuit](#) against a former CalPERS Board Member and a former CalPERS CEO.
- On April 19, 2011, this [petition](#) for a writ of mandamus was filed against the CalPERS Board of Administration, its President, and its Chief Executive Officer for allegedly laundering the salary of a receiver appointed by the U.S. District Court through the state's [Administrative Office of the Courts](#).
- On May 4, 2011, CalPERS issued this [statement](#) acknowledging that it “has been cooperating and collaborating as appropriate with the California Attorney General’s Office and U.S. Securities and Exchange Commission (SEC) regarding allegations that Medco Health Solutions (Medco) paid former CalPERS Board Member Al Villalobos more than \$4 million as a consultant on the CalPERS business that may have included improper conduct by former CalPERS Chief Executive Officer Fred Buenrostro and some former CalPERS Board Members.”
- On May 23, 2011, CalPERS issued this [statement](#) acknowledging that the [Fair Political Practices Commission](#) had found that approximately 50 of its employees and officials had failed to report gifts as required by Government Code § 87200.

Please contact [Keith Paul Bishop](#) at Allen Matkins for more information [kbishop@allenmatkins.com](mailto:kbishop@allenmatkins.com)

<http://www.calcorporatelaw.com/>