

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED REPORTS 2/16/2013 through 5/15/2013

Retirement Benefits Fraud or Abuse-Public Agency Activities 2012-176

An anonymous complaint alleging that a public agency hired an identified employee as an independent contractor to avoid the cost associated with bringing an employee into CalPERS membership.

CalPERS determined that independent contractor was actually a retiree subject to the post-retirement employment restrictions. CalPERS received confirmation that the retiree in question stopped working for the agency in June 2012.

Action Taken: Counseled (verbal/written) Warning

Issue Type: Retirement Benefits Fraud and Abuse-Public Agency Activities 2012-206

An anonymous complaint alleging that an identified public agency hired an independent contractor to avoid the cost associated with bringing an employee into CalPERS membership.

CalPERS determined that the person identified as an independent contractor did in fact perform the duties of an agency employee, but did not qualify for membership. CalPERS received confirmation that the employee in question no longer worked for the agency.

Action Taken: Counseled (verbal/written) Warning

Issue Type: Retirement Benefits Fraud and Abuse-Public Agency Activities 2012-227

An anonymous complaint alleging that a public agency hired an independent contractor to avoid the cost associated with bringing an employee into CalPERS membership.

CalPERS determined that the identified independent contractor performed the duties of an agency employee and was eligible for membership for a period of three years. Based on provisions in the government code, the employer must enroll the employee into membership and cover the cost associated with the time period.

Action Taken: CalPERS Member Benefits Adjusted

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED REPORTS 2/16/2013 through 5/15/2013

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2012-272**

An anonymous complaint alleging that a public agency hired an identified CalPERS retiree as independent contractor to avoid the hourly wage limit and 960 hour limit rule.

CalPERS staff determined that the retiree's position qualified them for CalPERS membership pursuant to the government code. The retiree is in the process of appealing a determination by CalSTRS regarding the post-retirement position. If CalSTRS upholds their original determination, CalPERS will reinstate the retiree from service retirement.

Action Taken: Counseled (verbal/written) Warning

**Issue Type: Retirement Benefits Fraud or Abuse-Public Agency Activities
2012-273**

An anonymous complaint alleging that a public agency hired retired annuitants as independent contractors to avoid the 960 hour limit rule and failed to bring other agency employees who qualified into CalPERS membership.

CalPERS determined that three employees in question qualified for membership and notified the employer. The retired annuitant allegations were not substantiated.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2012-281**

An anonymous complaint alleging that seven identified retired annuitants working for a state agency exceeded the allowed 960 hours.

CalPERS determined that three of the seven retirees exceeded the 960 hour limit by 10 hours or less in one of the fiscal years they worked, and that one retiree exceeded the 960 limit by 86.0 hours in one fiscal year. CalPERS counseled the employer regarding their lack of compliance; in response, the employer revised their system for tracking retired annuitant hours to prevent future violations.

Action Taken: Counseled (verbal/written) Warning

CalPERS Ethics Helpline

**SUMMARY OF CLOSED SUBSTANTIATED REPORTS
2/16/2013 through 5/15/2013**

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2013-283**

An anonymous complaint alleging that a public agency's hiring of a CalPERS retiree was in violation of the government code.

CalPERS determined that although the retiree had not exceeded the 960 hour and compensation restrictions, they had violated the 12 month limit permitted by the government code as it was written when they were hired. CalPERS advised the retiree to either resign from the position by a set date or CalPERS would reinstate them from service retirement effective 2011.

Action Taken: Counseled (verbal/written) Warning

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitant
2013-303**

An anonymous report alleged that a public agency's hiring of an identified CalPERS retiree in a permanent part-time position at double the pay rate was in violation of the government code.

CalPERS determined that the retiree's post-retirement employment with the agency was in violation of the government code. CalPERS advised the retiree to either resign from the position by May 10, 2013, or CalPERS would reinstate them from service retirement effective 2010. CalPERS received confirmation that the member terminated his employment with the agency on May 9, 2013. .

Action Taken: Counseled (verbal/written) Warning