

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED REPORTS
8/16/13 through 10/15/13

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitant
2013-323**

Allegation: This is an anonymous complaint alleging that employee contracts for an identified school district were changed allowing unqualified allowances to be converted to salary.

Finding: CalPERS determined that the identified CalPERS covered employer had been reporting additional compensation which did not meet the definition of "compensation earnable" on behalf of two identified employees. Both employees were notified via letter that their retirement allowances would be adjusted downward.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2013-324**

Allegation: This is an anonymous complaint alleging that an identified retired annuitant employed as an interim Police Chief worked over the allowed 960 hours in a fiscal year and was given a pay raise based solely on the City Manager's justification that the retired annuitant worked additional hours and therefore deserved the additional compensation.

Finding: CalPERS staff determined that the retired annuitant's hours and pay rate were in compliance with the government code. However, the retiree's interim appointment was not in compliance with Government Code section 21221(h) because the retiree had been appointed to the interim Police Chief position more than once. The retiree was notified via letter to either terminate employment immediately or the retiree would be reinstated. CalPERS received confirmation that the retiree terminated employment with the city.

Action Taken: Counseled (verbal/written) Warning

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**SUMMARY OF CLOSED SUBSTANTIATED REPORTS
8/16/13 through 10/15/13**

**Issue Type: Human Resources-Hiring
2013-329**

Allegation: This is an anonymous complaint alleging that an identified CalPERS employee has a prior felony conviction and should not be trusted to work at CalPERS.

Finding: The employee's court records were requested and reviewed revealing that the employee's 1999 felony conviction had been expunged. The employee was informally counseled by their manager.

Action Taken: Employee Counseled

**Issue Type: Safety, Health and Environment
2013-334**

Allegation: This is an anonymous complaint alleging that an identified CalPERS employee has a prior felony arrest in 2006.

Finding: The identified employee's court records were requested and reviewed. The record revealed that the employee was charged with a misdemeanor and pled no contest. No further action was taken.

Action Taken: Substantiated-No Action Taken

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SUMMARY OF CLOSED SUBSTANTIATED REPORTS
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Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2013-341

Allegation: This is an anonymous complaint alleging that a CalPERS retired annuitant is working full-time for an identified CalPERS covered employer in violation of the Public Employees' Retirement Law (PERL).

Finding: CalPERS determined that the identified retired annuitant's employment and pay were in violation of Government Code section 21224. CalPERS received confirmation from the employer that the retired annuitant's employment offer and pay were amended to bring the retiree's employment into compliance with the government code.

Action Taken: Counseled (verbal/written) Warning

Issue Type: Retirement Benefits Fraud or Abuse-Pension Spiking
2013-344

Allegation: This is an anonymous complaint alleging that an identified CalPERS covered employer is spiking the pay of the identified Deputy Superintendent by reporting a car stipend to CalPERS as compensation earnable.

Finding: Staff determined that the employer was including the identified member's car stipend in the payrate they reported to CalPERS. CalPERS instructed the employer to cease reporting the car allowance and submit payroll corrections for those periods the allowance had been reported. CalPERS will continue to oversee the process until all corrections have been made.

Action Taken: CalPERS Member Benefits Adjusted

Issue Type: Other-Misuse of State Property

Allegation: This is an anonymous complaint alleging that an identified CalPERS employee is using their work email to send communications regarding an association the employee is involved with.

Finding: The allegation was discussed with the identified employee who admitted using work email on a minimal basis. The employee was given a verbal warning to cease the activity immediately.

Action Taken: Counseled (verbal/written) Warning