

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED REPORTS
2/16/2014 through 5/15/2014

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2013-319**

Allegation: An anonymous source alleged that an identified CalPERS member returned to work in their former position immediately after retirement.

Finding: CalPERS determined that the identified member retired and returned to work in their former position in violation of the Public Employees' Retirement Law (PERL). The retired annuitant employment failed to meet the 180 day wait period, and therefore, is subject to mandatory reinstatement.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2013-346**

Allegation: An identified source contacted CalPERS via email to report that an identified CalPERS retiree who worked as a retired annuitant for a CalPERS covered agency had exceeded the allowed 960 hours in a fiscal year and had spiked his pension prior to retiring.

Finding: CalPERS determined that the identified retiree's post-retirement employment was in violation of Government Code section 21224 because the retiree had exceeded the allowed 960 hours in fiscal year 2011/2012 and received an hourly wage in excess of what the retiree may receive as a retired annuitant. CalPERS also determined that non-qualified compensation was reported prior to retirement, requiring a downward adjustment to the retiree's retirement allowance.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Other-Falsifying Records
2013-366**

Allegation: An anonymous source alleged that a CalPERS employee falsified their timesheets for two months.

Finding: CalPERS determined that the identified employee falsified their timesheets over a two month period. Because the employee's pay was generated from a correct timesheet, the employee was paid accurately. The identified employee is currently on involuntary leave. Disciplinary action would be initiated upon the employee's return.

Action Taken: Substantiated-No Action Taken

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**Issue Type: Retirement Benefits Fraud or Abuse-Pension Spiking
2013-375**

Allegation: An anonymous source alleged that an identified active CalPERS safety member was simultaneously appointed as the Interim City Manager for a one year term. During this dual appointment, the source alleged that the member continued to receive the enhanced safety retirement formula and a significantly higher salary that was not permitted under the Public Employees' Retirement Law (PERL).

Finding: CalPERS determined that the identified employer enhanced the member's pay to compensate the member for the additional duties as Interim City Manager. CalPERS determined that the additional compensation or "special compensation" will not be included in his final retirement compensation calculation because it did not meet the definition of Compensation Earnable. The employer has been instructed to reverse the additional compensation from my|CalPERS payroll reporting.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Retirement Benefits Fraud or Abuse-Pension Spiking
2013-386**

Allegation: An anonymous source alleged that an identified City spiked the pension of a former City Manager by reporting compensation to CalPERS that should not have been reported.

Finding: CalPERS determined that the City had reported to CalPERS leave pay that did not qualify as Compensation Earnable. The City was advised to reverse the mis-reported payroll as it may not be included in the member's retirement benefit calculation.

Action Taken: CalPERS Member Benefits Adjusted

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**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2014-397**

Allegation: An identified source contacted CalPERS to inquire whether the employment by a CalPERS contracted employer of a disability retired member was in compliance with Public Employees' Retirement Law (PERL).

Finding: CalPERS determined that the identified retiree was found to be in violation of Government Code sections 21220 and 21202. CalPERS determined the retiree was able to perform unrestricted work and will reinstate the retiree from industrial disability to active member status.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2014-399**

Allegation: An anonymous source alleged that an identified CalPERS member returned to work in their former position immediately after retirement.

Finding: CalPERS determined that the identified retiree returned to work in their former position on the same day as retirement in violation of Government Code (GC) sections 21220.5 and 21229. Consistent with GC section 21220.5, the retiree will be reinstated retroactive to the first day worked as a retired annuitant.

Action Taken: CalPERS Member Benefits Adjusted

**Issue Type: Other
2014-401**

Allegation: An anonymous source alleged that an identified CalPERS member is using his deceased father's Social Security number. According to the source, the member's employer recently learned of this and is allowing the member to resign and apply for retirement.

Finding: CalPERS contacted the member who admitted to using his deceased father's Social Security Number after losing his own Social Security Card. The member has since provided the correct Social Security Number to CalPERS. CalPERS confirmed the number to be accurate. The employer corrected the member's information in the my|CalPERS system.

Action Taken: Resolved by the State or Public Agency

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**Issue Type: Retirement Benefits Fraud or Abuse-Retired Annuitants
2014-402**

Allegation: An anonymous source alleged that an identified retired annuitant working for a CalPERS covered agency, exceeded the allowed 960 hours in a fiscal year.

Finding: CalPERS determined that the identified retired annuitant had exceeded the 960 hour limit in fiscal years 2011/2012 and 2012/2013 and was working as a permanent part-time employee. The retired annuitant immediately terminated employment with the CalPERS covered employer after the findings were communicated by CalPERS.

Action Taken: Counseled (verbal/written) Warning