Board of Administration

Agenda Item 9a12

September 18, 2019


Program: Employer Account Management Division

Item Type: Action

Parties’ Positions

Staff argues that the Board of Administration should adopt the Proposed Decision. Respondent Dudley J. Lang’s (Respondent Lang) position is included in Attachment C, if any.

Strategic Plan

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

Procedural Summary

CalPERS Office of Audit Services conducted an audit of Respondent City of Industry’s (Respondent City) payroll reporting and member enrollment processes. As a result of the audit, CalPERS found that Respondent Lang engaged in unlawful post-retirement employment with Respondent City. Respondent Lang’s post-retirement employment violated the California Public Employees’ Retirement Law (PERL) because (1) he received a salary in excess of the amount allowed and (2) he worked in excess of the allowable hours (960 hours per fiscal year).

Pursuant to Government Code section 21220, CalPERS determined that Respondent Lang was required to reimburse CalPERS the retirement benefits he received during the period of unlawful employment. Respondent Lang appealed the determination and the matter was heard by the Office of Administrative Hearings on June 17, 2019. Due to Respondent City’s failure to appear, the case proceeded as a default under Government Code section 11520, as to that party only. A Proposed Decision was issued on August 6, 2019, determining Respondent Lang’s post-retirement employment was in violation of the PERL. The Proposed Decision ordered Respondent Lang to reimburse CalPERS for the retirement benefits he received from January 4, 2012 through December 14, 2012, the period of his unlawful employment.
Alternatives

A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System hereby adopts as its own Decision the Proposed Decision dated August 6, 2019, concerning the appeal of Dudley J. Lang; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, after consideration of the Proposed Decision dated August 6, 2019, concerning the appeal of Dudley J. Lang, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board’s Decision shall be made after notice is given to all parties.

C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, after consideration of the Proposed Decision dated August 6, 2019, concerning the appeal of Dudley J. Lang, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System requests the parties in the matter concerning the appeal of Dudley J. Lang, as well as interested parties, to submit written argument regarding whether the Board’s Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.
2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, hereby designates as precedential its Decision concerning the appeal of Dudley J. Lang.

**Budget and Fiscal Impacts:** Not applicable

**Attachments**

Attachment A: Proposed Decision
Attachment B: Staff’s Argument
Attachment C: Respondent(s) Argument(s)

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Donna Ramel Lum
Deputy Executive Officer
Customer Services and Support