

Stateline man part of California AG's fraud lawsuit

By Jim Wasserman and Dale Kasler, Sacramento Bee

California officials filed a fraud suit against the former chief executive of CalPERS and his close friend, a former pension fund board member turned placement agent, in an explosive new twist in the influence-peddling scandal that's been simmering at CalPERS for months.

The lawsuit by Attorney General Jerry Brown says former CalPERS CEO Fred Buenrostro accepted thousands of dollars worth of gifts from Alfred Villalobos, a former CalPERS board member who has earned tens of millions of dollars as a placement agent. These agents are hired by private equity firms to obtain investments from public pension funds such as the California Public Employees' Retirement System.

Among other things, the suit says Villalobos "substantially subsidized" the cost of Buenrostro's 2004 wedding at Villalobos' Lake Tahoe mansion – an incident first reported by *The Bee* last fall. Buenrostro has said he reimbursed his host.

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