

CalPERS being investigated by feds

By Dale Kasler, Sacramento Bee

CalPERS officials acknowledged that federal prosecutors are conducting a criminal investigation into the bribery scandal afflicting the big California pension fund.

In a report to the CalPERS board, senior staff members wrote that “federal prosecutors in California” have sought millions of pages of documents and other information from the pension fund and the Washington lawyer who has been investigating the matter.

The existence of a criminal investigation was reported last spring by the Wall Street Journal, citing anonymous sources. The report from the CalPERS staff marks the first public acknowledgment of a criminal probe.

Last spring, then-Attorney General Jerry Brown sued former board member Alfred Villalobos and former CalPERS Chief Executive Fred Buenrostro. The lawsuit said Villalobos bribed Buenrostro and two others at CalPERS in order to steer billions in pension fund investments to his Wall Street clients.

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