

# CalPERS fraud case against Tahoe businessman can proceed

By Dale Kasler, Sacramento Bee

For nearly a year, Alfred Villalobos has been able to use the bankruptcy laws to sidestep a state lawsuit accusing him of bribing officials at the California Public Employees' Retirement System.

Now California officials have won the right to pursue the \$95 million case against Villalobos.

A federal judge in Reno has ruled that the Lake Tahoe businessman can be sued over fraud allegations by the California attorney general's office, even though he has filed for bankruptcy protection.

"This is a great victory for law enforcement, and we're moving forward," said Lynda Gledhill, a spokeswoman for Attorney General Kamala Harris.

But a bankruptcy law expert, Lynn LoPucki, said it's unclear whether the state could collect any money from Villalobos even if it wins the lawsuit. That's because Villalobos' assets would normally be controlled by the bankruptcy judge and would be divided among all of his creditors, LoPucki said.

**Read the whole story**