

Ruling clears way for CalPERS fraud suit against Stateline resident

By Marc Lifsher, Los Angeles Times

SACRAMENTO – A federal judge has approved a plan to liquidate the estate of Stateline resident Alfred J.R. Villalobos, former board member of the California Public Employees' Retirement System, the state's biggest public pension fund.

The action by a U.S. Bankruptcy Court judge in Reno ended an 18-month bankruptcy proceeding and cleared the way for the state to pursue a fraud lawsuit against Villalobos, who the state alleges plied pension fund officials with luxury trips and gifts to influence investment decisions.

Villalobos, who also served a short stint as deputy mayor of Los Angeles under Mayor Richard Riordan in the 1990s, was paid more than \$47 million by private investment fund managers to help them win CalPERS business.

The judge on Friday approved a petition from Villalobos and three companies he controls to pay about \$17 million to dozens of creditors, including lawyers, accountants, banks, the Internal Revenue Service and Lake Tahoe gambling casinos.

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