

Drug giant settles its CalPERS probe that involves Stateline man

By Dale Kasler, Sacramento Bee

Caught up in the CalPERS bribery case, a drug-benefits supplier will pay \$2.75 million to settle an investigation into its dealings with the man at the heart of the scandal.

Medco Health Solutions of Franklin Lakes, N.J., agreed to the settlement Friday with California Attorney General Kamala Harris. The company didn't admit any wrongdoing and said the settlement was helpful "in clearing Medco's good name."

Company spokesman Lowell Weiner and the AG's office said the settlement amount represents the state's cost to investigate.

"There has been no finding that anybody at Medco did anything wrong at any time," said Weiner.

Still, the company's decision to hire Stateline businessman Alfred Villalobos – the man accused of bribing CalPERS officials – was costly.

It destroyed Medco's lucrative relationship with Cal-PERS and may have prompted other clients to drop the pharmaceutical giant.

Medco agreed to be sold last summer.

As for CalPERS, the settlement marks the latest chapter in a scandal that has dogged the nation's largest public pension fund since 2009.

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