

# Former CalPERS chief guilty of bribery

By Paul Elias, AP

SAN FRANCISCO – The former head of the nation's largest public pension fund pleaded guilty Friday to bribery and fraud.

Federico Buenrostro Jr., the former chief executive of California Public Employees' Retirement System, entered his plea in San Francisco federal court.

He acknowledged receiving paper bags and a shoe box stuffed with \$200,000 in cash, casino chips and other benefits from Alfred Villalobos, a Stateline investment manager who also served on the CalPERS board in the mid-90s.

Buenrostro, CEO of CalPERS from 2002 through 2008, said he used his influence to make investment decisions beneficial to Villalobos' clients.

Buenrostro also said he gave Villalobos access to the pension system's confidential investment information. Further, Buenrostro said he forged letters that allowed Villalobos' firms to earn millions of dollars in commissions for investing \$3 billion in the pension fund's money.

Aside from the cash and chips, Villalobos said paid for Buenrostro's wedding and hosted it at his home in 2004, according to the plea agreement Buenrostro signed Friday. Buenrostro also said that Villalobos paid for first-class airfare, hotels, meals and entertainment for a business trips to Dubai, Hong Kong and Macau.

Buenrostro faces five years in prison and a \$250,000 fine when he is sentenced in January.

Villalobos has pleaded not guilty to fraud charges and other

related counts.

The state attorney general also sued Buenrostro and Villalobos along with other former pension board and staff members, alleging fraud and kickbacks at the pension board.

In a related sanction, the state's campaign watchdog, the Fair Political Practices Commission, fined other executives and investment managers in 2011 for failing to report gifts that included food, wine and baseball and Rose Bowl tickets.