

Lawyer: Ex-CalPERS CEO to plead guilty

By Dale Kasler, Sacramento Bee

SAN FRANCISCO – The former chief executive of CalPERS is about to plead guilty to a conspiracy charge in connection with the bribery scandal that erupted at the nation's largest public pension fund five years ago.

Fred Buenrostro, who ran CalPERS from 2002 to 2008, will enter a guilty plea next week. The dramatic twist was revealed Monday by his lawyer, William Portanova, during what was scheduled as a routine pretrial hearing in U.S. District Court.

Portanova said Buenrostro will cooperate with the government's prosecution of his old friend and mentor, Stateline businessman Alfred Villalobos, and "fully lay out the full story between the two of them." The two men stood about 10 feet apart during the court hearing and didn't appear to acknowledge each other.

Until Monday, Buenrostro, 64, insisted he'd done nothing wrong. He had no comment, during the hearing or afterward.

The criminal case against Buenrostro and Villalobos resulted from the biggest scandal in the history of the California Public Employees' Retirement System. The indictment focuses on a fairly narrow allegation: that the two men created fake letters on CalPERS stationery in order to ensure Villalobos was paid millions in fees for his work on behalf of a Wall Street investment firm.

Read the whole story