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Controller Supports a Ban on Placement Agents

SACRAMENTO – State Controller John Chiang today issued the following statement after the Assembly Appropriations Committee failed to pass AB 1743 (Hernandez) to require placement agents, who attempt to influence the investment of public pension funds on behalf of private entities, to register as lobbyists:

“Whether under the Capitol dome or at public pension funds, the tools necessary for public corruption are the same: lack of transparency, unrestricted gift-giving, and bounty-based compensation that encourages unethical conduct. While legislators and voters had the wisdom to remove these tools from lobbyists decades ago, members of the Assembly Appropriations Committee refused to do the same with Wall Street-hired influence peddlers.

"Along with the Treasurer and CalPERS, I sponsored AB 1743 to institute much-needed reforms to protect our public pension funds, state retirees and California taxpayers. In the absence of meaningful legislative action, I will support prohibiting placement agents from doing business with CalPERS and CalSTRS."

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