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Controller Chiang Applauds CalPERS for Adopting New Transparency Measures

SACRAMENTO – State Controller John Chiang today congratulated the California Public Employees Retirement System (CalPERS) for adopting new transparency guidelines that he presented to the pension fund's governing board in September.

"CalPERS needs the highest standard of transparency in order to protect California taxpayers and retirees," said Chiang.

Under the new guidelines, the Statements of Economic Interest and travel information for board members and key executive and investment staff must be posted on CalPERS' public website. Putting the information online improves public access and reduces the potential for conflicts of interest. The Controller's economic statements and travel forms can be found online at www.sco.ca.gov/eo_about_transparency.html.

At the Controller's urging, CalPERS also plans to make changes to its new retirement information system that will flag suspicious salaries at the local level. The new system will process information from cities and counties that participate in the pension fund, and automatically call for a review of any potential compensation abuse. The Controller also has separately required all cities and counties to report the total compensation offered to their employees. That information will be available later this fall on his website at www.sco.ca.gov.

The Controller has led several other reforms at the State's pension funds:

- 1 He wrote and co-sponsored AB 1743 to require placement agents – middlemen hired by Wall Street investment firms to gain access to public pension dollars – to register as lobbyists, file quarterly reports disclosing their clients and terms of their financial arrangements, and participate in ethics training. Most importantly, it bans these middlemen from being compensated with contingency fees.
- 1 He successfully sponsored SB 1007, which requires greater campaign contribution reporting and disclosure for elected pension fund board members.
- 1 He was the only State constitutional officer to vote in favor of tougher campaign contribution limits at the California State Teachers Retirement System (CalSTRS).
- 1 He successfully pushed both CalPERS and CalSTRS to adopt a new policy linking investment staff bonuses to performance. The policy allows the governing boards to limit bonuses in years without positive investment returns. Previously, bonuses were paid despite fund performance. As a result of the Controller's efforts, the boards can now deny bonuses to staff who under-perform.
- 1 He disclosed the State's long-term costs to fund state employee and retiree health benefits (his first report was two years ahead of schedule) and urged the Legislature to start prefunding the liability before it eats up a larger portion of the General Fund.

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