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# California State Senate

SENATOR  
**KEVIN DE LEÓN**  
DEMOCRATIC CAUCUS CHAIR  
TWENTY-SECOND SENATE DISTRICT



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JOINT COMMITTEES  
LEGISLATIVE AUDIT  
RULES

June 1, 2012

Attorney General Kamala Harris  
Office of Attorney General  
455 Golden Gate Avenue  
Suite 11000  
San Francisco, California 94102

## **RE: Criminal Investigation Request Following CalPERS Audit**

Dear Attorney General Harris:

After reviewing the California Public Employees' Retirement System (CalPERS) audit concerning lavish pensions for Vernon city employees, I am concerned that not only were the pensions inappropriately inflated but that crimes were committed to achieve those bloated pensions. As a result, I write to formally request that your office, as the chief law enforcement officer of the State of California, conduct an investigation into the findings of that audit to ascertain whether criminal or other sanctions are warranted.

The audit's determinations, which were released today, represent the single largest public employee pension reduction in the state's history. According to the audit, significant misrepresentations by officials within the City of Vernon were filed with CalPERS to acquire those enormous pensions. The CalPERS audit found that Vernon improperly boosted the retirement benefits of nearly two dozen top employees.

While the CalPERS audit is an important and significant step, it by itself doesn't go far enough. Unless there are consequences beyond simply returning ill-gotten gains, there is nothing to deter other would-be grifters from defrauding taxpayers. And next time, the fraud may not be so outrageous as to be easily detected. Clearly, when anyone tries to unjustly enrich themselves at the public's expense they must be held accountable and there must be real and substantial consequences. Absent accountability, there is no deterrent to abusing the public's trust other than one's conscience.

The Honorable Kamala Harris  
Attorney General, State of California  
June 1, 2012  
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In addition to the recently released CalPERS audit, I also requested last year that the Bureau of State Audits conduct a thorough audit of Vernon's finances. That audit is due at the end of the month and may also include additional grounds for investigation. Having said that, I believe the CalPERS audit provides clear and substantial grounds for a thorough investigation into the means by which Vernon city officials attempted to secure unearned and unprecedented public pensions.

I appreciate your attention to this important matter. If you have any questions please do not hesitate to contact me directly at (916) 651-4022.

Sincerely,



**KEVIN DE LEÓN**  
Twenty-Second Senate District

Enclosure