



California Corporate & Securities Law

Controller To Sponsor Bills Aimed At Influence Peddling At CalPERS And CalSTRS

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On February 3, 2011, California Controller [John Chiang](#) sent this [letter](#) to [Rob Feckner](#), Chairman of the California Public Employees Retirement System. The Controller is an *ex officio* member of the CalPERS Board of Administration.

The first bill would reduce the annual gift allowance under California's Political Reform Act from \$450 to \$50. According to the Controller's letter, this reduction would apply to CalPERS board members and employees.

The second bill would "prohibit CalPERS board members and employees from accepting a job with any employer who has had substantial contracts or investments (defined as above \$10 million) with CalPERS immediately after separation". In addition, CalPERS employees who worked with placement agents in the 10 years prior to their separation would be prohibited from accepting employment with any placement agent immediately after separation.

The Controller's letter states that he will be sponsoring two bills to address the "public's current perception of how we do business at CalPERS". Both bills would also apply to the California State Teachers' Retirement System (CalSTRS). According to this [memorandum](#) prepared by the CalPERS legal office (see Items 11 & 12), the Board has not yet taken a position on the Controller's proposed legislation.

The legislative deadline for bill introductions is this Friday ((J.R. 61(a)(1)) (J.R. 54(a)). So, we should see the bill text and author(s) soon.

Please contact [Keith Paul Bishop](#) at Allen Matkins for more information kbishop@allenmatkins.com

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