

**DEPARTMENT OF
FIRE AND POLICE
PENSIONS**

701 E. 3RD STREET
SUITE 200
LOS ANGELES, CA 90013

(213) 279-3000 (Main Line)
(844) 88-LAFPP (52377) - TOLL FREE
FAX (213) 628-7716
TDD (213) 628-7713

EMAIL: PENSIONS@LAFPP.COM

**CITY OF LOS ANGELES
CALIFORNIA**



**ERIC GARCETTI
MAYOR**

**RAYMOND P. CIRANNA
GENERAL MANAGER**

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EXECUTIVE OFFICER**

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**TOM LOPEZ
CHIEF INVESTMENT OFFICER**

August 27, 2019

The Honorable Budget and Finance Committee
City Council, City of Los Angeles
c/o City Clerk, City Hall, Room 395
Los Angeles, CA 90012
Attn: Richard Williams, Legislative Assistant

Re: 2019-20 Adopted Budget Recommendation 19-0600-S50 (Question No. 827)

Honorable Members:

On May 6, 2019, the Budget & Finance Committee requested the Los Angeles City Employees' Retirement System (LACERS) and Los Angeles Fire and Police Pensions (LAFPP) to report on the degree of latitude the City has in determining whether a retired employee can be denied pension benefits for violating the law. This issue has been raised previously as discussed below.

For background, prior to the enactment of the 2013 California Public Employees' Pension Reform Act (PEPRA), California Government Code §7522.70 provided for the forfeiture of all retirement rights and benefits by any elected public officer convicted of any felony arising directly out of his or her official duties. Effective January 2013, PEPRA (§7522.72 and §7522.74) broadened pension forfeiture, without exception, for all public employees convicted of a job-related felony. However, since the City of Los Angeles is a charter city, PEPRA provisions are not applicable to any of the three City of Los Angeles retirement systems.

In April 2014, the City Council raised concerns that a veteran City employee who was sentenced to prison in an FBI corruption case would continue to receive pension benefits. The Council then adopted a Motion requesting the City Attorney to prepare and present an ordinance (C.F. 14-0435) that would require the forfeiture of the pension of any member of the City's three pension systems who is convicted of a felony involving the use of their City employment position. The Motion also requested that, as feasible, the ordinance include retroactive provisions in cases where the felony conviction occurs after the City employee has already retired.

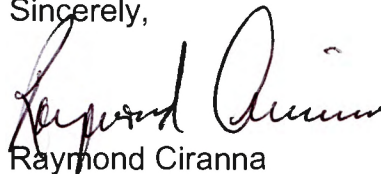


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The item was referred to the Personnel and Animal Welfare Committee, where we understand the City Attorney provided confidential legal advice to the Committee. Subsequently the City Clerk administratively closed this item in July 2016. Since the pension systems were not privy to the advice, LAFPP respectfully defers to the City Attorney to share the advice with the Budget and Finance Committee.

Thank you again for the opportunity to respond. I am always available to answer any questions the Committee may have regarding the retirement system.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond Ciranna". The signature is fluid and cursive, with a large initial "R" and "C".

Raymond Ciranna
General Manager

c: LAFPP Board
The Honorable Mike Feuer, City Attorney
Richard H. Llewellyn, City Administrative Officer
Neil Guglielmo, General Manager, LACERS