



**RETIRED PUBLIC EMPLOYEES' ASSOCIATION**

**SAN DIEGO**

**CHAPTER 027**

**NEWSLETTER for July, August & September 2024**

*A Message from the President*

**WELCOME to FRIENDS from CH 029**

News comes that RPEA Chapter 029 will be folding operations and all members will be transferred to Chapter 027. Let's give them all a big WELCOME with a special meeting on July 23 as we learn what strengths we share and what unique talents we can add to our greater membership. You may meet an old friend with whom you have worked. There will more than likely be some differences in this newsletter from what you have seen in the past. I'm hoping that you get something of value from what I put out here.

**DIVERSE MEMBERSHIP**

A casual scan over the membership list shows a fair number of RPEA members living in other states. I know several Caltrans employees are living in other states. They did regular business or reviews of agencies or organizations with headquarters in those other states. They were doing California state business, but they were doing that business at an out of state site. *(Did they have to pay California state income tax?)*

A more likely reason our RPEA members live in other states is the fairly common situation where children grow up and go off to college, meet someone from another state,

marry, and either their work or married family connections take them to a new state. Did you have children who relocated to another state?

And as the RPEA retiree finds themselves now distant from their children and grandchildren, the RPEA member moves to live closer to their family connections. If you are one of those RPEA members living in another state but have kept your RPEA membership current, we thank you for supporting our cause to help guard our retirement benefits from CalPERS.

Our diversity from many State agencies, many cities, counties and public agencies, plus numerous school districts makes us a broad and powerful group to speak out.

*“a bit of humor”*

The *“enjoy them while they are young”* comment might also apply to your knees and back.

*(continued on page 3)*

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***Next Meeting***

***July 23, 2024 - 11 AM  
Denny's 2691 Navajo Rd  
at the corner of Navajo Rd  
& Fletcher Parkway  
El Cajon, CA  
(619) 460 - 6420***

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## STRENGTH IN NUMBERS

### (BUILDING OUR MEMBERSHIP)

#### HERE'S WHY

It should be obvious that the more members we have, the more power, (clout) that RPEA has when addressing any issue at CalPERS. That's why we all must address the fact that as our members are getting older, (we're still in there doing what we can), but some do "age out" and we lose them.

If you are a paying member who gets the glossy color newsletter from RPEA headquarters, you should have read the page and ½ piece by Randall Cheek on "Legislative Analysis". For those who don't get it, or for any who might like a quick summary, here are some highly abbreviated high(low)lights of Randall Cheek's article.

#### CalPERS PROBLEMS

In 2013 CalPERS dismissed an Investment Compliance employee for reporting violations of the CalPERS insider trading policy.

In 2016 the former CalPERS Chief Executive Officer was sent to prison for falsifying documents and excepting cash bribes.

In 2016 CalPERS hired a Chief Executive Officer who lied about her qualifications and only had a high school education.

In 2017 the State Treasurer asked for an investigation on how the CalPERS board had had been misinformed and what could be done to correct that. The CalPERS board refused to comply and collected all copies of the letters of that request.

In 2017 CalPERS hired a new Chief Financial Officer. In 2018 a report came out exposing false issues with much of the CFOs' resume. Newspapers wrote of the

false resume and criticized CalPERS for their failures while CalPERS board members continued to defend him. He was terminated in 2018.

In 2020 a new Chief Investment Officer from CHINA was hired with minimal investigation and CalPERS only acted when media scrutiny triggered an investigation.

From 2017 to 2021 a 25-year CalPERS employee stole nearly \$700,000 of retirees' money. Audits by a credit union filed a complaint and only then did CalPERS investigate.

In 2022 the CalPERS Chief Investment Officer got court side tickets to a professional basketball game while urging CalPERS to invest in the team.

4/2/24 CalPERS names Stephen Gilmore as the new Chief Investment Officer.

6/10/24 CalPERS names Micheie Nix as the new Chief Financial Officer. ?????

Those preceding CalPERS Officers listed above are black-marks against the CalPERS leaders who should be the high Standard Bearers whose job it is to set the standards on how CalPERS operates. These are Board members making in the range of \$100,000 per year. What might be going on behind the scenes in the daily operations of CalPERS?

Consider that CalPERS is an organization with 2,843 employees and an annual operating budget of \$2.4 Billion, a nearly 12% increase for this year.

The CalPERS fund is \$506.9 Billion. For simplicity round that to \$500 Billion? The 51-page investment report is mind boggling, but one graph I could understand showed that from late 2018 to late 2021 the fund was continually losing value. From late 2021 to late 2023 the fund has been continually growing in varying amounts of from \$1 billion to \$8 billion per month.

As seen below, CalPERS' active strategies contributed approximately \$6.9bn over the past five years. We aim to broaden our active programs as we develop new capabilities, with a primary emphasis on augmenting our value add.

#### Rolling 5-Yr Cumulative Value Added



## HOW IT EFFECTS YOU & ME

I am no investor but I would like to know how 2.5 years of bad news turns to 2.5 years of success. That's why RPEA and the headquarters leaders serve such an important role in supporting our member benefits.

That \$500 Billion is beyond my understanding so have a bit of patience while I try to compare it to what I can understand.

Let's say that you are lucky enough to have an income of \$100,000 per year. If you extract just ( 1% of 1% ) of that income it turns out to be just \$10, hardly enough for a good lunch, and a small enough amount that you might gladly hand it to a friend without a thought.

Now if we compare that same ( 1% of 1% ) breakdown to the \$500 Billion CalPERS fund, we get a very significant \$50 MILLION, a nice tidy tidbit well worthy of any con man's effort. Is it any surprise that there are likely many well-funded con artists lurking in the halls of CalPERS *and trying to get your money?*

And I choke when I write this but, wouldn't you naturally expect this? With an organization this size and a pool of money far beyond our comprehension, grabbing a quick 1% of 1%, (a trivial share) would be so easy to do and so trivial to let slip by.

Bernie Maddoff and Sam Bankman-Fried were not the only con men to swindle people, (including CALPERS), out of LOTS of money. A quick check of Wikipedia showed a 3-page list of convicted fraudsters conning investors into giving them huge sums of money with { false } hopes of getting more.

While I listed several troubling issues with the CalPERS Board members, you could easily expect that there are other similar

troubles on down the ranks of the CalPERS employment ranks of 2,843 working people who actually punch the keyboards to make those investment transactions happen.

If the CalPERS Board has problems in policing the *board* members, how well do they do in watching the daily investments done by all their staff members?

Don't get me wrong, I have no reason to accuse any CalPERS employee, but everyone would like to have a few more coins in their pockets. There are no doubt millions of dollars of CalPERS funds invested daily, with that work done by employees struggling to pay their bills at higher prices.

## LOOK FOR A BETTER FUTURE

With **YOUR** continuing support of RPEA, with **YOUR** membership adding strength to our numbers, those RPEA Officers and Board Members in our headquarters' office can continue keeping a watchful eye on the continuing leadership and operation of CalPERS as they work with **OUR** pension funds.

In spite of all the bad news from around the world, (and right here at home) we can keep the faith that we can make a difference by supporting the right causes to protect our retirement benefits with the leadership of RPEA leaders and officers in HQ keeping a watchful eye on the CalPERS board members and their operations.

## SO WHAT'S THE POINT?

RPEA needs **YOU** to keep our membership voice strong to watch over CalPERS operations, and **YOU** need RPEA to protect your pension benefits and keep an eye on CalPERS management. So go out and recruit a few of your former co-workers as new RPEA members.

Butch Biendara, President  
RPEA Chapter 027



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## RETURN SERVICE REQUESTED

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