

CLIENT NEWS BRIEF

Legislation Combats Corruption In Government By Requiring Forfeiture Of Retirement Benefits By Officials Convicted Of A Felony In The Course Of Official Duty

Prompted by corruption scandals in the cities of Vernon and Bell, Governor Brown signed into law Senate Bill (SB) 39 on October 12, 2013. This law seeks to prevent public officials convicted of crimes committed in their official capacity from obtaining further benefit from the positions they abused.

In the cases of the cities of Vernon and Bell, several high ranking city officials were convicted of crimes such as fraud and violating California conflict of interest laws. Officials received massive salaries in relatively small towns. They also engaged in voter fraud and other corrupt practices. Despite being convicted of felonies, several officials were still able to receive retirement and pension benefits from the cities.

SB 39 adds section 53244 to the Government Code and provides that a local public official who is convicted of any felony under state or federal law for conduct in the performance of his or her official duties must forfeit any legal claim against a local public agency employer for retirement, pension rights, or benefits other than accrued rights. The law is meant to protect local governments from "disgraced and avaricious" public officials who continue to seek benefits from their former employer.

Several laws have already been enacted in response to the Bell and Vernon scandals. Existing law already requires elected public officials and public employees to forfeit all rights and benefits under a public retirement system (e.g. CalPERS) when the public official is convicted of certain crimes such as bribery or embezzlement. SB 39 similarly requires forfeiture of rights and benefits, but from a local government instead of the state public retirement system.

Assembly Bill 1344 (2011-2012 Reg. Sess.) previously created several restrictions for local government employment contracts and compensation. Along with these existing laws, SB 39 is designed to further fortify local public finances from abuse.

For further information regarding SB 39, or for assistance with establishing and adopting policies and procedures to ensure compliance with the law, please feel free to contact one of our [eight offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#) or [Twitter](#), or download our [Client News Brief App](#).

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