

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

THURSDAY, AUGUST 13, 2015 - 9:00 A.M.**

COMMITTEE MEMBERS:

Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of July 9, 2015

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by James Beasley, Administrative Services Division: That the Committee recommend the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2015 renewal. (Memorandum dated August 3, 2015)

IV. FOR INFORMATION

A. Board Offsite Agenda Planning – Day 1
Gregg Rademacher

B. LACERA Operations Briefing
Robert Hill/JJ Popowich

C. Protecting Our Membership Data
James Pu

August 13, 2015

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V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, JULY 9, 2015, 11:20 A.M. – 12:40 P.M.

COMMITTEE MEMBERS

PRESENT: Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
David Muir, Alternate

ABSENT: Ronald Okum

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Alan Bernstein
William de la Garza
Vivian H. Gray
Shawn Kehoe
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Robert Hill	Bernie Buenaflor
JJ Popowich	Angel Calvo
Gregg Rademacher	Steve Rice
David Bayha	Susana Seeckts

The meeting was called to order by Chair Kelly at 11:20 a.m. Due to the absence of Mr. Okum, the Chair announced that Mr. Muir, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of June 11, 2015

Mr. Chery made a motion, Mr. Muir seconded, to approve the minutes of the regular meeting of June 11, 2015. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Bernie Buenaflor, Manager, Benefits Division: That the Committee recommend the Board of Retirement direct staff to coordinate with the Occupational Health Programs (OHP) the medical examination and medical advice required under CERL Sections 31680.4 and 31680.8, respectively, for retirees seeking reinstatement to active LACERA membership, and implement a standardized medical affidavit in conjunction with that process. (Memorandum dated July 9, 2015)

Mr. Chery made a motion, Mr. Muir seconded, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

A. LACERA Operations Briefing
Robert Hill/JJ Popowich

Messrs. Hill and Popowich presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed
- Strategic Plan – Board Package Web Posting

IV. FOR INFORMATION (Continued)

B. Retirement Calculations: PEPRA and Optional Retirements
Robert Hill/JJ Popowich

The introduction of PEPRA and integration of a COLA in the Optional Retirement calculations(s) required a major modification to our Final Calculation Engine. Staff has been vigilant and resourceful at effectively executing these new provisions while simultaneously modernizing the Calculation Engine. These are the first steps in moving the design, implementation, and maintenance of the Calculation Engine from a third party vendor to LACERA staff.

Generally, the implementation of operating tables is a seamless, straightforward exercise that results in a minimal calculation variance. However, introducing a COLA factor into the actuarially reduced benefit calculations may result in material variances. It is imperative that LACERA identify and inform members who may be impacted.

Staff presented the details of the implementation plan, as well as LACERA's communications strategy to inform members of the upcoming changes.

C. Overpayment & Forgery Receivables (Period Ended March 31, 2015)
Susana Seeckts/Angel Calvo/David Bayha

Susana Seeckts, Angel Calvo, and David Bayha presented the status report on overpayment and forgery receivables for the six month period ending March 31, 2015. There are currently 583 overpayment and forgery cases. During the past six months the total amount of overpayments has decreased 23% to \$1.47 million.

Overpayments are broken out into three categories:

- Death related as a result of late death notification
The majority of the decrease in the overall dollar amount is attributed to the death related cases. Although federal privacy requirements make it more difficult to obtain death related data, staff continues to be proactive in searching out this information.
- Incorrect computation
There has been a slight decrease in the dollar amount for this category. Process improvements have been implemented, with updated training carried out at the staff level.

IV. FOR INFORMATION (Continued)

- Miscellaneous

There is a minimal increase in this category. Issues that have contributed to this increase are court ordered retro adjustments due to legal splits, age discrepancies discovered later by diligent staff, or late submissions of social security documents which would affect the retirement allowance of LACERA members.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 12:40 p.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**



August 3, 2015

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: James Beasley 
Administrative Services Analyst III

FOR: August 13, 2015 Operations Oversight Committee Meeting

SUBJECT: FIDUCIARY LIABILITY INSURANCE RENEWAL

RECOMMENDATION

That your Committee recommends the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2015 renewal with the following insurance carriers:

Fiduciary Insurance - LACERA Trust Fund

- Hudson Insurance Company; Limit: \$15 million (primary)
- Hartford Insurance Group (via Twin City Fire Insurance Co.); Limit \$10 million excess of \$15 million

Fiduciary Insurance - OPEB Trust Fund

- Hudson Insurance Company; Limit: \$5 million

EXECUTIVE SUMMARY

For over a decade, LACERA has been purchasing Fiduciary Liability Insurance to protect the Trust Funds against potential losses resulting from any breach of fiduciary duty claims. Board members and certain LACERA employees can also be held personally liable for these claims. LACERA's current fiduciary insurance coverage consists of Federal Insurance Company ("Chubb") at \$15 million, Hartford at \$10 million (LACERA Trust Fund), and Federal Insurance Company ("Chubb") at \$5 million (OPEB Trust Fund). These plans are set to expire on October 6, 2015.

LACERA contracts with an insurance broker to research appropriate insurance plans, conduct the competitive bidding process, and provide recommendations on packages

**Fiduciary Liability Insurance Renewal
Operations Oversight Committee
Page 2 of 5**

for LACERA to consider. LACERA directed, our current broker, Kaercher Campbell & Associates Insurance (KCAIB) to solicit alternate quotes to obtain the most comprehensive coverage for the most competitive price. To achieve the desired results, the Broker sought optional limits and retentions, providing five insurance carrier quotes for consideration.

- Federal Insurance Company (“Chubb”)
- Twin City Fire Insurance Company (“Hartford”)
- RLI Insurance
- Hudson Insurance
- AIG

RENEWAL CRITERIA

LACERA requires a total of \$25M coverage to protect any person acting in a fiduciary capacity in an event of a breach of fiduciary duty. The highest limit that any of the fiduciary insurance carriers are willing to underwrite for the coverage is \$15M; therefore, LACERA’s program is layered with \$15M primary and \$10M excess to reach the desired coverage of \$25M.

LACERA requested KCAIB to seek quotes utilizing standard industry criteria which enabled them to successfully negotiate competitive options for renewal. Fiduciary Liability limits, retentions, and premiums are primarily based on the following factors:

- Amount of Net plan assets - \$47.7 billion
- Number of participants - 157,779
- Funding status - 75%

Based on LACERA's coverage requirements, Administrative Services conducted a comparative analysis of each proposed carrier policy against the expiring policies using the following criteria:

- Cost (Most comprehensive coverage for the most competitive price)
- Thorough review of each policy (side-by-side comparison)
- Best protects the Board Members and LACERA employees

From the five insurance carriers listed above in the Executive Summary, LACERA determined Hudson Insurance Company and Twin City Fire Insurance Company (“Hartford”) providing comprehensive coverage at the most competitive price.

RENEWAL SELECTION

Fiduciary Insurance - LACERA Trust Fund

For the LACERA Trust Fund, the recommendation is to purchase the Hudson Insurance Company policy as the primary layer with the policy limits of \$15 million and Twin City Fire Insurance Company ("Hartford") will underwrite the excess policy in the amount of \$10 million. The combined annualized premium for both policies is \$242,260.00, a 21% decrease in premium over the current expiring rates. (See Appendix A)

When comparing the policy forms, the Hudson Insurance Company's policy was more comprehensive than the other quoted carriers indentified above, including the current Chubb policy. Below are additional advantages offered by Hudson Insurance Company that the other insurance carriers lack in policy form:

- Broader "Who is an Insured" - Includes the term "Administration of a Plan"
- Choice of Counsel versus carrier panel counsel
- Offers \$100K of Cyber Restoration and Notification Coverage
- Defense Cost Allegation - 100% Defense if any one allegation is triggered
- Cancellation - Non rescindable nor cancellable by Insurer (except nonpayment of premium)
- Coverage for Benefits Miscalculation (overpayment) - Sublimits higher for HIPPA and CAP/TVC/VCR Penalties

Fiduciary Insurance - OPEB Trust Fund

The recommendation for the OPEB Trust Fund is to purchase the Hudson Insurance Company policy with policy limits of \$5 million. The annual premium for the policy is \$15,000.00, a 1% decrease in premium over the current expiring rate. (See Appendix A)

ADDITIONAL PROTECTION

Waiver of Recourse

A waiver of recourse is an endorsement to a fiduciary liability insurance policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (LACERA). LACERA purchases fiduciary liability insurance to protect the LACERA Trust Fund and the OPEB Trust Fund against losses resulting from a breach of fiduciary duty.

Members of both Boards and specific staff may have some exposure to fiduciary liability since they make decisions impacting both the LACERA Trust Fund and the OPEB Trust Fund. Depending on their role, Board Members and staff have the option

**Fiduciary Liability Insurance Renewal
Operations Oversight Committee
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to purchase the waiver of recourse insurance for both trust funds or buy it separately. The cost of each policy per person is as follows:

- LACERA trust fund - \$25.00 per person
- OPEB trust fund - \$25.00 per person

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE recommends the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2015 renewal with the following insurance carriers:

Fiduciary Insurance - LACERA Trust Fund

- Hudson Insurance Company; Limit: \$15 million (primary)
- Hartford Insurance Group (via Twin City Fire Insurance Co.); Limit \$10 million excess of \$15 million

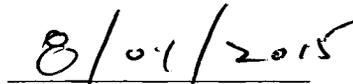
Fiduciary Insurance - OPEB Trust Fund

- Hudson Insurance Company; Limit: \$5 million

Noted and Approved:



JJ Popowich
Assistant Executive Officer



Date

APPENDIX A

Fiduciary Insurance - LACERA Trust Fund

Coverage	Expiring Annual Premium 10/06/2014-15 <i>Chubb/Hartford</i>	Proposed Annual Premium 10/06/2015-16 <i>Hudson/Hartford</i>	Variance
Primary Fiduciary Liability – (\$15MM Primary Limit)	Annual Premium \$192,903	Annual Premium \$152,250	-21%
Excess Liability - (\$10MM excess of \$15MM)	Annual Premium \$71,000	Annual Premium \$71,000	n/a
TOTAL PREMIUM	\$ 263,903	\$ 223,250	-21%

Fiduciary Insurance - OPEB Trust Fund

Coverage	Expiring Annual Premium 10/06/2014-15 <i>Chubb</i>	Proposed Annual Premium 10/06/2015-16 <i>Hartford</i>	Variance
Fiduciary Liability Insurance (\$5 MM Limit)	Annual Premium \$15,163	Annual Premium \$15,000	-1%
Total Premium	\$15,163	\$15,000	-1%



August 4, 2015

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: August 13, 2015, Operations Oversight Committee Meeting

SUBJECT: **Board Offsite Agenda Planning – Day 1**

Our annual Board Offsite meeting is a great venue to plan strategically, explore issues, evaluate operations, craft solutions, and seek education. Our Board Offsite meeting will be held January 19-21, 2016 at the Long Beach Hilton. We will be using a three day format with the first day focusing on retirement benefit matters, the second day dedicated to our Retiree Healthcare Program, and the third day committed to our investment operations.

We generally meet from 9 am to 4 pm, which allows for approximately eight to nine sessions ranging from 30 minutes to 60 minutes in length. Focusing on our Day 1 agenda, we have traditionally strived to include sessions addressing quality, service, governance, strategic planning and major initiatives. I would like to thank the Board members and staff who offered the following session suggestions:

Retirement Benefits Day 1

1. **Board Training – Electronic Notation for Disability Cases and Board Agenda Materials**
2. **Ballot Proposal: Voter Empowerment Act of 2016**
3. **Disability Panel Addressing Fibromyalgia**
4. **State of LACERA**
5. **Quality@LACERA**
6. **Operational Metrics – Reviewing Service Response Benchmarks**
7. **Strategic Plan – Retirement Benefits**

Retirement Benefits Day 1
8. Legislative Landscape with Joe Ackler
9.
10.

As we are at the beginning phase of our planning efforts, we have the opportunity to add, change, and modify the suggested sessions to best meet the organization's needs. I believe we are off to a good start and look forward to our planning discussion.

Retirement Board Agenda Planning Day 1 2016.doc
GR:nm

C: Rob Hill
JJ Popowich
Steven Rice

FOR INFORMATION ONLY

August 4, 2015

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: Robert R. Hill, Assistant Executive Officer 
JJ Popowich, Assistant Executive Officer 

FOR: August 13, 2015 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff activities, updates on goals, and discuss opportunities and/or concerns. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Felony Convictions Report
- Performance Evaluation Policy
- Leadership Development Program Participation

RRH:rrh

CA PUBLIC RECORDS REQUEST – 2015 TRACKING LIST

DATE RECEIVED	REQUESTER	DOCS REQUESTED
06-18-15	G. Chung, Financial Investment News	<p>Media Contact</p> <p>Inquired if all the items were approved as submitted at the June 10 BOI Meeting. <i>Answer submitted via email:</i> <i>Yes, all the board items were approved as submitted.</i></p> <p>Inquired in LACERA plans on hiring an executive search firm to conduct a CIO replacement search. <i>Answer submitted via email:</i> <i>Do not know.</i></p> <p>Requested memorandum regarding fiscal year 2015-2016 real estate investment plan. <i>Submitted via email RE memo dated May 26, 2015 re Recommendation to adopt Real Estate Investments Plan for Fiscal Year 2015-2016</i></p>
06-18-15	G. Chung, Financial Investment News	<p>Media Contact</p> <p>Inquired as to searches while D. Kushner was CIO.</p> <ol style="list-style-type: none"> 1. In April, plan was to issue an RFP for active international developed market managers. <i>Response submitted via email: Plan to launch this search after the search for activist managers.</i> 2. RFI was issued in October for domestic and international activist managers. <i>Response via email: This search is in progress. Also transmitted Request for Information document (RFI) dated October 16, 2014 providing recipients with the Purpose and Submission Requirements. {BOI Equity Committee submitted memo dated Sept. 19, 2014 to BOI on Oct 8, 2014 re Activist Equity Manager Search.}</i> 3. It was stated in January that the plan will initiate an opportunistic non-U.S. fixed-income managers to handle a total of \$400 million. <i>Response submitted via email: LACERA plans to launch this search in the next couple of months.</i>
06-25-19	R. Fellner, California Policy Center	<p>Inquired as to whether retiree, Williams Burns, Jr. is a regular service retirement or a disability retirement. Member Services contacted. <i>Response submitted via email stating that retiree is a regular service retiree.</i></p>
07-01-15	F. Massey	<p>Monthly request for BOI Packages. <i>July Information sent via U.S. mail.</i></p>
07-01-15 <u>VERBAL REQUEST</u>	R. Spare	<p>Requested BOI Packages for the month of July. <i>Information sent via U.S. mail.</i></p>
07-01-15	Los Angeles Sheriff's Department	<p>Monthly request for Fire & Sheriff Retirement lists. <i>Transmitted monthly agenda reports for July 1, 2015. Date run June 25, 2015.</i></p>

CA PUBLIC RECORDS REQUEST – 2015 TRACKING LIST

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-01-15	J. Hammond, RELAC	Monthly request of Benefit Approval List. <i>Transmitted list for June 2015, prepared for July 1, 2015 Board of Retirement Meeting.</i>
07-06-15	W. Chin, Individual	Requested LACERA's comprehensive annual financial report that provides complete list of portfolio holdings upon request. <i>Transmitted via email, LACERA's Q2 Portfolio Investment Report.</i>
07-07-15 <u>VERBAL REQUEST</u>	J. Chase, Chicago Tribune Reporter	Requested correspondence copies to the LACERA BOI from GCM Grosvenor Capital Management relating to its role in advising the Board as to private equity opportunities. <i>Sent via FedEx Delivery DVD containing data from GCM/CFG/Credit Suisse back to the year 2010.</i>
07-14-15	H. Sangha, AltAssets	Requested most recent data on LACERA's private investments. <i>Transmitted via email LACERA's 2014 4th Quarter Report on Private Equity Holdings.</i>
07-16-15	K. Bouteraa	Requested records on alternative investments for 2014 Q4 and 2015 Q1. <i>Transmitted via email LACERA's 2014 Q4 Private Equity Portfolio Investment Report. The 2015 Q1 data is not yet available. Requester informed reports typically lag 180 days after quarter end and are reported to the Board twice a year.</i>
07-22-15	B. Ford, FRTIB	Requested all records pertaining to Third Party Administrator Service Provider, and any contract wherein the contractor processes benefit-related forms or transactions responding to written or telephonic inquiries from participants. <i>Transmitted letter response via email stating LACERA has found no records responsive to the request after a diligent search was conducted.</i>
07-22-15	M. Sunitha, AARM Corp	Requested Alternative Investment's performance data for Q3 of 2014. <i>Transmitted via email Portfolio Investment Report as of June 30, 2014; Portfolio Investment report as of December 31, 2014; 2015 1st Quarter Hedge Fund Performance Report; and LACERA's Q4 Real Estate Report.</i>
07-27-15	Mr. Solis, Individual	Requested list of public holdings providing details of LACERA public equity numbers. <i>Transmitted via email the LACERA Fund Holdings List as of September 30, 2014 and Comprehensive Annual Financial Report (CAFR) for fiscal years ended June 30, 2014 and 2013.</i>

CA PUBLIC RECORDS REQUEST – 2015 TRACKING LIST

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-28-15	D. Kushner, Individual	Requested DVD of the Board of Investments and all Committee Meetings held on July 8, 2015 and electronic copy of all materials provided at the meetings including "Green Folder" items. <i>Sent via FedEx Delivery a DVD of the Board of Investments and Committee Meetings held July 8, 2015, transmitted via email the Agenda for the regular July 8, 2015 meeting of the Board of Investments, and its supporting documents. Also transmitted Real Estate Investment July 7, 2015 memo re Total Fund Exposure to Greece and Legal Department memo dated July 6, 2015 re Two Legal Issues Relating to State Street.</i>
07-30-15	N. Verbitsky, Blue Chip Films for PBS FRONTLINE	Requesting copy of all email records received from ppfunds@nappa.org and thelist@nappa.org since January 1, 2014 for film project focused on public pensions. <i>Email from Legal Transactions forwarded to Disability Litigation and Legal Department stating a computer folder has been created on the shared "i" drive for uploading relevant emails. Emails have not been uploaded to the "i" drive as of July 31, 2015.</i>
07-30-15 <u>VERBAL REQUEST</u>	J. Chase, Chicago Tribune Reporter	Via telephone conversation, requested information regarding LACERA's private equity holdings. <i>Transmitted via email LACERA's current Q4 Holdings Report.</i>



FOR INFORMATION ONLY

July 30, 2015

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: James Pu, Chief Information Officer
Systems Division

SUBJECT: PROTECTING OUR MEMBERSHIP DATA

Protecting our members' private information is one of the most important jobs that we do. With data security in the forefront of our minds, LACERA is engaging in a persistent effort to improve the way we use and manage sensitive information. This organizational "no-one-is-exempt" approach charges every individual with the responsibility to look for and implement security enhancements. Notably, we are making great strides in reducing the revelation and use of social security numbers, both in-house and with business partners.

During this presentation, staff from several divisions will collectively articulate our endeavors in safekeeping our membership data. Although each work unit offers a unique perspective, our collaboration is achieving an elevated awareness and reducing inter-divisional gaps. Recognizing that *Protecting the Promised Benefits* also means that we must safeguard our membership data; we continue to strive as an organization to protect our members' future.

Noted and Approved:

Robert R. Hill
Assistant Executive Officer

7-30-2015
Date

Protecting Our Membership Data



An Organizational Effort

- **Everyone is an Information Security Officer**
- Continuous improvements
- Physical controls & safeguards
- Trainings & policies
- Existing systems & protections
- Technology & response initiatives



Benefits Division



Theo King

Benefits Division

- Masking Social Security Numbers on all Benefit Templates.
- Checking online systems to determine the best contact information for members if our current information is found to be invalid.
- Employees given limited access, after management approval.

Benefits Division

- Requesting Member Services to contact member on behalf of the Benefits Division.
- MS is better equipped to vet members and capable of preserving phone calls. MS has a standard process to validate members.

Quality Assurance & Metrics Division



Derwin Brown

QA's Role in Data Security

New-Hire CORE Benefit Training

- Workspace Navigation Module
 - Access member files with employee number
 - Awareness of surroundings
- Trainee Production Routing Slips
 - Excel calculation worksheets & cost letter
 - Member personal information
 - Microfiche
 - Account analysis

QA's Role in Data Security

New-Hire CORE Benefit Training

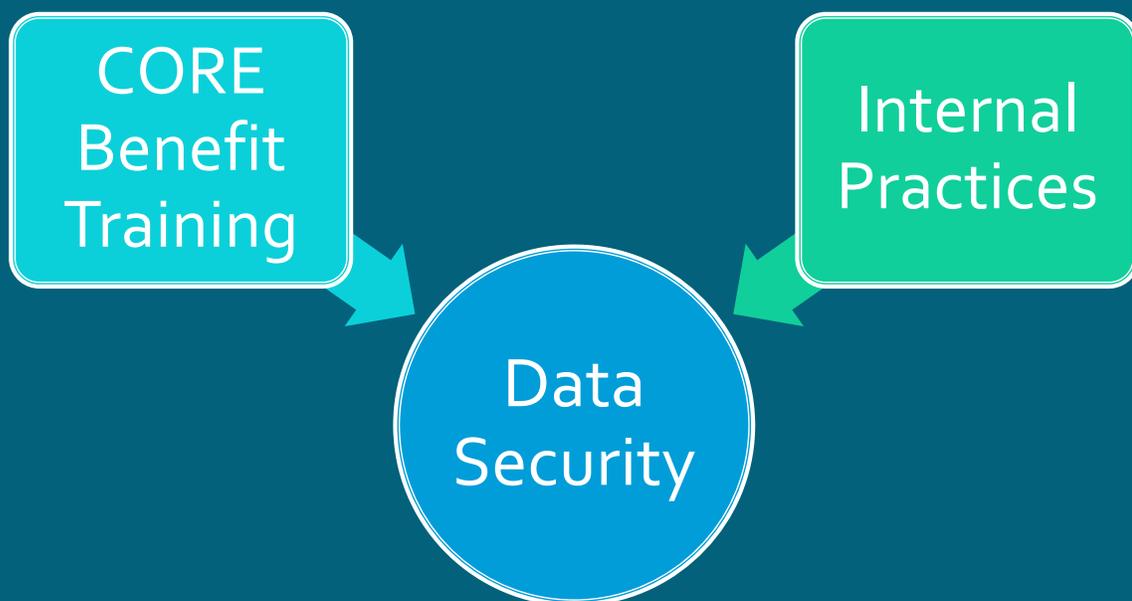
- Employee number is the primary identifier on
 - Trainee Routing Slips
 - QA Assignment Log
- Routing slips and assignment logs are shredded once the validation process is complete.

QA's Role in Data Security

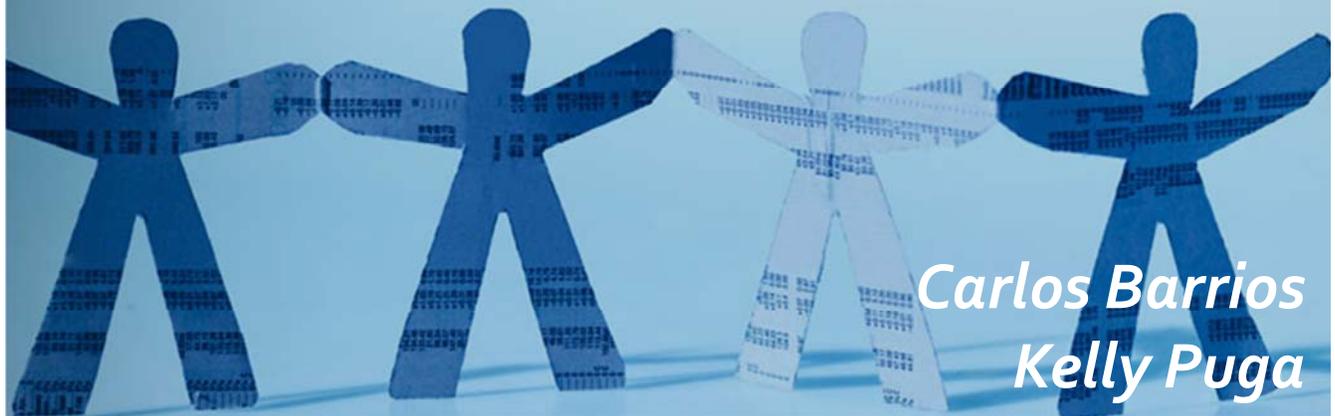
Internal Practices

- Dedication to confidentiality & privacy
- Continuous Improvement culture
- Training manuals & workbooks use employee numbers

Quality Assurance & Metrics



Member Services Division



*Carlos Barrios
Kelly Puga*

Member Services Division

Comprised of 3 Sections:

Contact Center

Member Service Center

Member Services Quality Control



Contact Center

Call In, Write In, Make Changes.

Security Measures In Place:

Call In.

- Basic Validation: General Information
- High Risk Validation (HRV): Account Specific Information
 - Validation Questions are Account Specific or Personalized
 - Several Fails (3) and/or Suspicious Behavior is Reported to Internal Audit
 - Confirmation of Identity Form (Government Agency Verification)

Write In.

- Outgoing Response Letters: Address Verified Before Mailing
- Email Responses: General Information Only

Make Changes.

- Review of Accounts Recent Activity
- Validation of Signatures & Authorized Member Representatives
- MyLACERA Web Portal Access (HRV Process)
- Suspicious Activity Reported to Internal Audit



Contact Center

Agency Deduction Process

Security Measures In Place:

- **Masking SSN on Agency Deduction Reports (Outgoing)**
 - 12 Credit Unions
 - 17 Long Term Care Carriers
 - LA County Management Council
 - California Public Employees Retirement Chapter 36
 - SEIU Local 721
 - Sheriff's Relief Association
 - Pacific Group Agencies
 - Professional Peace Officer's Association
 - RELAC
 - Zenith
 - AFSCME/PEOPLE
 - LA County Firefighters, Local 1014
 - ALADS
 - LA County Sherriff's Starpost #309

Contact Center

Agency Deduction Process (Cont.)

- **Secure Delivery Method**
 - Federal Express
 - Certified Mail
 - Confirmation required
- **Other SSN-dependent agencies**
 - Internal Revenue Service
 - United States Treasury
 - Franchise Tax Board
 - California State Disbursement
 - Out of State child support agencies
 - Retiree healthcare providers



Member Service Center

Come on in.

Security Measures In Place:

- **Current Photo ID Required.**
 - Retirement Counseling and Workshops
- **No Valid ID, High Risk Validation Required**
 - Validation questions are account specific or personalized
 - Confirmation of identity form (government agency verification)
 - Several fails (3) and/or suspicious behavior is reported to Internal Audit and or confirmation of identity form
- **No member-specific data for off-site workshops**

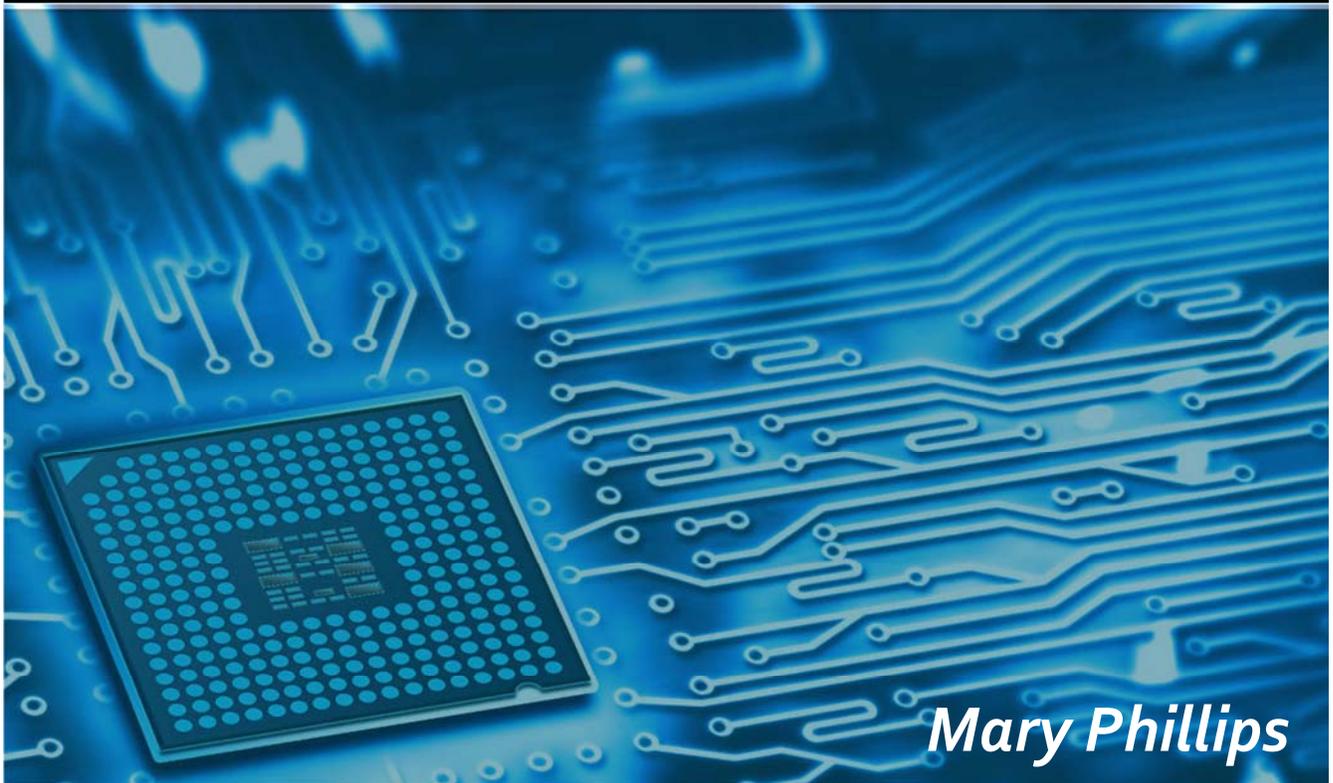
Quality Control Unit

Check. Double Check.

The Quality Control Unit provides assurance that specialists across the division follow standard process and procedure to verify and protect member privacy.



Systems Division



Mary Phillips

Systems Division

- Monthly deduction detail report
- Retiree payroll payment output files
- Workspace member data application
- Member Portal
- Division-wide review
- Barcode security

Protecting Our Membership Data

