IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.

TO VIEW VIA WEB

TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.com.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE

AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, MARCH 4, 2026**

This meeting will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953.8.3.

Any person may view the meeting in person at LACERA's offices or online at https://LACERA.com/leadership/board-meetings.

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE TRUSTEES:

    Nancy M. Durazo, Chair
    Wayne Moore, Vice Chair
    Bobbie Fesler, Trustee
    Aleen Langton, Trustee
    David Ryu, Alternate Trustee

I.   CALL TO ORDER

II.   PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

    A.   Just Cause (Section 54953.8.3)
    B.   Statement of Persons Present at SB 707 Teleconference Locations

III.   APPROVAL OF MINUTES

    A.   Approval of the Minutes of the Regular Meeting of February 4, 2026

IV.   PUBLIC COMMENT
(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit https://LACERA.com/leadership/board-meetings and complete the request form.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V.   REPORTS

    A.   **Operations Briefing**
    Laura Guglielmo, Assistant Executive Officer
    JJ Popowich, Assistant Executive Officer
    Kathy Delino, Chief, Information Technology
    Presentations by:
      Joe Shiuan, Information Technology Manager II
      Carly Ntoya, Director, Human Resources,
      Summy Voong, Information Technology Manager II
      Alonso Favela, Information Technology Specialist I

    B.   **Privacy Incidents: Personally Identifiable Information (Monthly)**
    Chaitanya Errande, Information Security Officer
    (For Information Only) (Memo dated February 15, 2026)

VI.   ITEMS FOR STAFF REVIEW
(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

VII.   ITEMS FOR FUTURE AGENDAS
       (This item provides an opportunity for trustees to identify items to be included on
       a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER
       (For Information Purposes Only)

IX.   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 *and will also be posted on lacera.com at the same time, Board Meetings | LACERA*.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT

COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

12:19 P.M. – 12:47 P.M., WEDNESDAY, FEBRUARY 4, 2026

This meeting was conducted by the Operations Oversight Committee both in person and by teleconference under California Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Nancy M. Durazo, Chair

Wayne Moore, Vice Chair

Bobbie Fesler, Trustee

Aleen Langton, Trustee

ABSENT: David Ryu, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Kathy Delino, Chief, Information Technology

Chaitanya Errande, Information Security Officer

Joe Shiuan, Information Technology Manager II

I.   CALL TO ORDER

This meeting was called to order by Chair Durazo at 12:19 p.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A.   Just Cause (Section 54953.8.3)
B.   Statement of Persons Present at SB 707 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A.   Approval of the Minutes of the Regular Meeting of January 7, 2026

Trustee Langton made a motion, Trustee Fesler seconded, to approve the minutes of the regular meeting of January 7, 2026. The motion passed by the following roll call vote:

Yes: Moore, Fesler, Langton, Durazo

No: None

IV.   PUBLIC COMMENT

There were no requests from the public to speak.

V.   REPORTS

    A.   **Operations Briefing**
Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II
(Presentation)

The Executive team presented the monthly briefing, including a discussion of IT Trends and Transformation, and was available to answer questions from the Committee. This item was received and filed.

    B.   **2026 Operations Oversight Committee Topics**
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II
(For Information Only) (Memo dated January 20, 2026)

The Executive team was available to answer questions from the Committee. This item was received and filed.

    C.   **Artificial Intelligence (AI) Policy – Public Facing Summary**
Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated January 22, 2026)

This item was received and filed.

    D.   **Privacy Incidents: Personally Identifiable Information (Monthly)**
Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated January 15, 2026)

This item was received and filed.

VI.   ITEMS FOR STAFF REVIEW
(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

Trustee Fesler requested that all policies going to the BOR for approval first be reviewed at the OOC.

Trustee Langton suggested a governance cyber AI policy be discussed at the May BOR offsite.

VII.   ITEMS FOR FUTURE AGENDAS
(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

VIII.   GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

IX.   ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:47 p.m.

Operations Briefing

Operations Oversight Committee
March 2026

Operational Initiatives

Organization-Wide Projects

OPERATIONAL INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Boardroom Relocation and Expansion Relocation of the Boardroom from the 8th Floor to the ground floor of Gateway Plaza	🟢 On Track (Planning Phase)	$700,000	Laura Guglielmo, Ricki Contreras	The Facilities Management and Audio Visual teams are coordinating with the Office of the Building to refine the audio visual requirements and space plans. Pending building permits.	March 2027
COLA Bank Retroactive Changes Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation	🟢 On Track (Execution Phase)	$0	JJ Popowich, Louis Gittens, Theodore King	We have assembled a team that calculated 839 cases of 1,292 to calculate. We will continue to make steady progress towards our goal.	June 2026
CoPilot Champions Expanding the adoption of Co-Pilot by empowering selected staff to lead adoption efforts, recommend training opportunities, and serve as peer mentors across the organization	🟢 On Track (Execution Phase)	$0	Laura Guglielmo, Joe Shiuan, Penelope Rodriguez (PM)	A second round of Co-Pilot training is being scheduled, with this series focusing on division-specific use cases. Waiting to issue Amendment PO.	September 2028
Deductions for Dues from Retiree Benefit Payments Policy implementation addressing existing and future members who elect to have dues, fees or premium payments for various third-party agencies deducted from their retirement benefit on a monthly basis to ensure LACERA is compliant with CERL Section 31452.5	🟡 Pending (Planning Phase)	$0	JJ Popowich, Louis Gittens, Fabio Ramirez	The Agency contract has been finalized to reflect the recent policy changes. Comprehensive communications have been completed to ensure all agencies are fully informed about the updated business processes and data exchange requirements. Additionally, discussions regarding deduction automation have been introduced and incorporated into the project plan.	To Be Determined

OPERATIONAL INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Digital Communication Governance & Compliance Solution for the Legal Office and Information Security Teams to conduct eDiscovery which is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a request for production in a lawsuit or investigation, to respond to a Public Records Act, or to facilitate collection of information for other business purposes	🟡 Pending (Planning Phase)	$120,000	Steven Rice, Chait Errande, Alonso Favela (PM)	A Proof of Concept (POC) was completed successfully. However, the estimated cost to fully meet LACERA's requirements is higher than the amount previously approved by the Board of Retirement. To ensure the revised pricing is both competitive and appropriate, the project team is obtaining additional quotes from qualified vendors.	To Be Determined
Disability Retirement Artificial Intelligence Solution Transform the document and record indexing process of the disability retirement application workflow to enhance the speed, accuracy, and efficiency of handling member applications	🟡 Pending (Planning Phase)	$110,000	JJ Popowich, Tamara Caldwell, Alonso Favela (PM)	Initiation meetings occurred in early February, currently working on detailed Requirements.	December 2026
LACERA Event Response Team (LERT) Management Solutions Automate the tracking of LACERA incidents and integrating the ServiceNow workflow with LACERA's Pension Administration System (Workspace) and LACERA's Emergency Notification System (On-Solve).	🟢 On Track (Execution Phase)	$0	JJ Popowich, Chait Errande, David Choe (PM)	The integration of the LERT process in ServiceNow with LACERA's Pension Administration System (PAS) has been completed. The LACERA project team is finalizing the member correspondence templates.	June 2026
Legal Matter Management (LMM) Solution Solution for the Legal Office Division to Track and Manage Legal Matter Management and integrate with Enterprise Contract Lifecycle Management	🟢 On Track (Execution Phase)	$150,000	Steven Rice, Christine Roseland, David Choe (PM)	Currently in use by in-house legal staff for logging Public Records Requests, inputting Legal investments transactions, and completed commercial contracts. Expanding scope to implement the Contract Management module, with revised completion date.	August 2026

OPERATIONAL INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Mainframe System Migration Migration of existing pension administration mainframe functionality to modern infrastructure and architecture to enhance scalability, agility, and integration capabilities.	🟢 On Track (Execution Phase)	$920,000	JJ Popowich , Kathy Delino, Alonso Favela (PM)	Recently added temporary development and analysis staff; optimizing the migration process using AI and automated testing; migrating Tax Reporting and Direct Deposit Prenote processes.	June 2028
Microfiche Digitization Conversion of LACERA's 46 million pages of microfiche to searchable PDF files and store them in an Enterprise Content Management System (ECM). A subset of the PDF files will be shared with the L.A. County Auditor-Controller.	🟢 On Track (Execution Phase)	$0	JJ Popowich, Kathy Delino, Tom DeLuca (PM)	The mass conversion process of microfiche digital files to searchable PDF files was completed in January. Waiting for MOU to be signed with LA County, then coordinate delivery to LA County.	June 2026
PEPRA: Annual Benefit Statement Provide an Annual Benefit Statement (ABS) for PEPRA members.	🟢 On Track (Execution Phase)	$0	JJ Popowich, Cynthia Martinez	Design requirements have been submitted to Systems, and Systems will begin working on additional design and programming in December 2025.	December 2026
PEPRA Final Average Compensation: Scheduled Earnings The Board of Retirement approved a change to the methodology for calculating a PEPRA member's Final Average Compensation (FAC) due to a revised interpretation of PEPRA and CERL. Effective with this decision, LACERA will now use Scheduled Earnings to calculate the FAC, instead of Actual Earnings. This project covers all efforts to implement this change and pay any retroactive benefits.	🟡 Delayed (Execution Phase)	$0	JJ Popowich, Louis Gittens, Kevin Hawkins	The team has updated retirement benefits for routine cases and now has 3 remaining complex cases.	May 2026 (January 2026)

OPERATIONAL INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Project Portfolio Management Solution Streamlining project selection, prioritization, and resource allocation, ensuring alignment with business goals in support of improving efficiency, decision-making, and overall project success rates.	🟢 On Track (Planning Phase)	$50,000	Luis Lugo, Kathy Delino, Sai Nichal Dasari (PM)	Reconfirming Requirements with internal teams, for release to request 3 Quotes.	December 2026
Retroactive Payroll Adjustments: Prospective Correction Collaboration with the Auditor-Controller (AC) to ensure timely and accurate collection of member payroll contributions on retroactive payroll adjustments.	🟡 Pending (Initiation Phase)	$0	JJ Popowich	LACERA has communicated our concerns with the County. The Auditor-Controller plans to work with Systems to resolve this.	To Be Determined
SASE (Phase II) Implement the core features of a cloud-based networking and security architecture to ensure confidentiality availability and Integrity as we conduct our activities when we are logged in. Features such as SDWAN (Software defined wide area network). Secure Enterprise Browser rollout and Data Loss Prevention strategies will be deployed in this phase.	🟢 On Track (Execution Phase)	$0	Chait Errande	Available advanced features are now being implemented. Boardroom Testing of the Prisma Access Browser has begun. We are now testing out the Prisma Access Browser for contractors. This browser is going to be tested at the March BOR and BOI meetings Systems is looking into migrating to the SASE providers firewall	May 2026
Staff Offboarding Implementing the staff offboarding process into ServiceNow.	Completed	$0	Laura Guglielmo, Carly Ntoya, Alonso Favela (PM)	The new staff offboarding process has been rolled out in ServiceNow and training has been completed.	Completed
Virtual Mailroom Moving the document imaging services in LACERA's Document Processing Center to a third party, creating a virtual mail room solution to be used permanently or as a business continuity solution.	🟡 Pending (Initiation Phase)	$150,000	Laura Guglielmo, Ricki Contreras, David Choe (PM)	Initiation meetings occurred in early February, currently working on detailed Requirements.	To Be Determined

STRATEGIC PLAN INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Business Intelligence Initiative **Strategic Priority Goal 2: Innovation Through Technology – 2.1 Business Intelligence** Implement a centralized, scalable, and secure Business Intelligence (BI) platform for LACERA, leveraging Microsoft Fabric, Purview, Power BI, and Copilot to unify data sources, enable advanced analytics, and empower self-service reporting for all divisions. The solution will replace legacy reporting systems, centralize data governance, and support strategic decision-making across the organization.	🟢 On Track (Planning Phase)	$960,000	Luis Lugo, Kathy Delino, Alonso Favela (PM)	A Project Kick-Off meeting to present scope and high-level timelines was held in January 2026. Currently working with 3 business divisions to identify operational dashboards to be built and published.	December 2027
Case Management (Sol) Phase 2 **Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy** Extension of LACERA's Sol Case Management System to include Death Processing	🟡 Pending (Planning Phase)	$260,000	JJ Popowich, Iveta Brecko (PM)	A Discovery Phase was completed in December 2025, which produced a Statement of Work (SOW) for the development of Active Death Case Management. The SOW is currently in LACERA's procurement process.	To Be Determined
Employer Portal **Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy** A secure online portal for employer to assist HR departments to on-board LACERA members by creating a more consistent introduction to LACERA and electronically completing the Member Sworn Statement (MSS), streamlining the current process and granting earlier access for members to My LACERA self-service options.	🟡 Pending (On-Hold)	$0	JJ Popowich, Tatiana Bayer, Alonso Favela (PM)	On-Hold.	To Be Determined

STRATEGIC PLAN INITIATIVES

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Enterprise Knowledge Management Solution – Taxonomy and RFP **Strategic Priority Goal 2: Innovation Through Technology – 2.2 Knowledge Management** This project is to hire a Taxonomy consultant that would assist LACERA and the Strategic Initiative 2.2 Team with the requirements definition and RFP for a Knowledge Management System.	🟢 On Track (Planning Phase)	$135,000	JJ Popowich, Eugenia Der, David Choe (PM)	The team has completed first round scoring, with vendor demos scheduled for March.	December 2029
Member Experience Communication Project (MECP) **Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy** Replace the existing AWS Connect with a cloud communications service that provides Omni-Channel Contact Center with native MS Teams certified integration.	🟢 On Track (Execution Phase)	$300,000	JJ Popowich, Tatiana Bayer, Cookie Jaranilla (PM)	The MECP project is in development and LACERA's Pension Administration System is being integrated with the Call Center Solution. Currently the team is going through Design phase of various functional modules.	June 2026

IT Trends & Transformation

Enhancing Access Governance: Modernizing User Offboarding

Presented by:
Carly Ntoya, HR Director
Summy Voong, IT Manager
Alonso Favela, IT Specialist

Offboarding

- Internal Audit identified critical gaps in LACERA's Termination of User Access process

- Offboarding responsibilities across HR, Systems, and the Executive Board were not standardized

- A coordinated, organization-wide effort was needed to strengthen internal controls, clarify ownership, and ensure alignment with audit expectations.

Project Scope - Offboarding

Procedures

- **HR Offboarding Procedures**
- **Trustee Offboarding Procedures**
- **End-User Device Lifecycle Management Procedures**

ServiceNow

- **ServiceNow HRSD Offboarding Module Development**

Training

Procedures and ServiceNow training:
- **Instructor-Led**
- **NEOGOV Learn**

Checklists/Reviews

- **Checklists for HR, Executive Board, and Systems**
- **Keycard and Network access periodic review**
- **Application Inventory**

ServiceNow HRSD Offboarding Overview

Value & Risk Reduction

Why This Matters to LACERA

- Risk Reduction Through Offboarding

- Strengthened Governance

- Sustainable Compliance Control

- Foundation for Ongoing Improvement

Operational ROI: Time & Efficiency

Operational Improvements Achieved

- Elimination of Manual Processes

- Real-Time Status Visibility

- Significant Time Savings

- Enhanced Workforce Management

Financial ROI & Strategic Value

Cost Avoidance & Long-Term Value

- In-House Project Delivery

- Addressing Root-Cause Gaps

- Scalable Automation Foundation
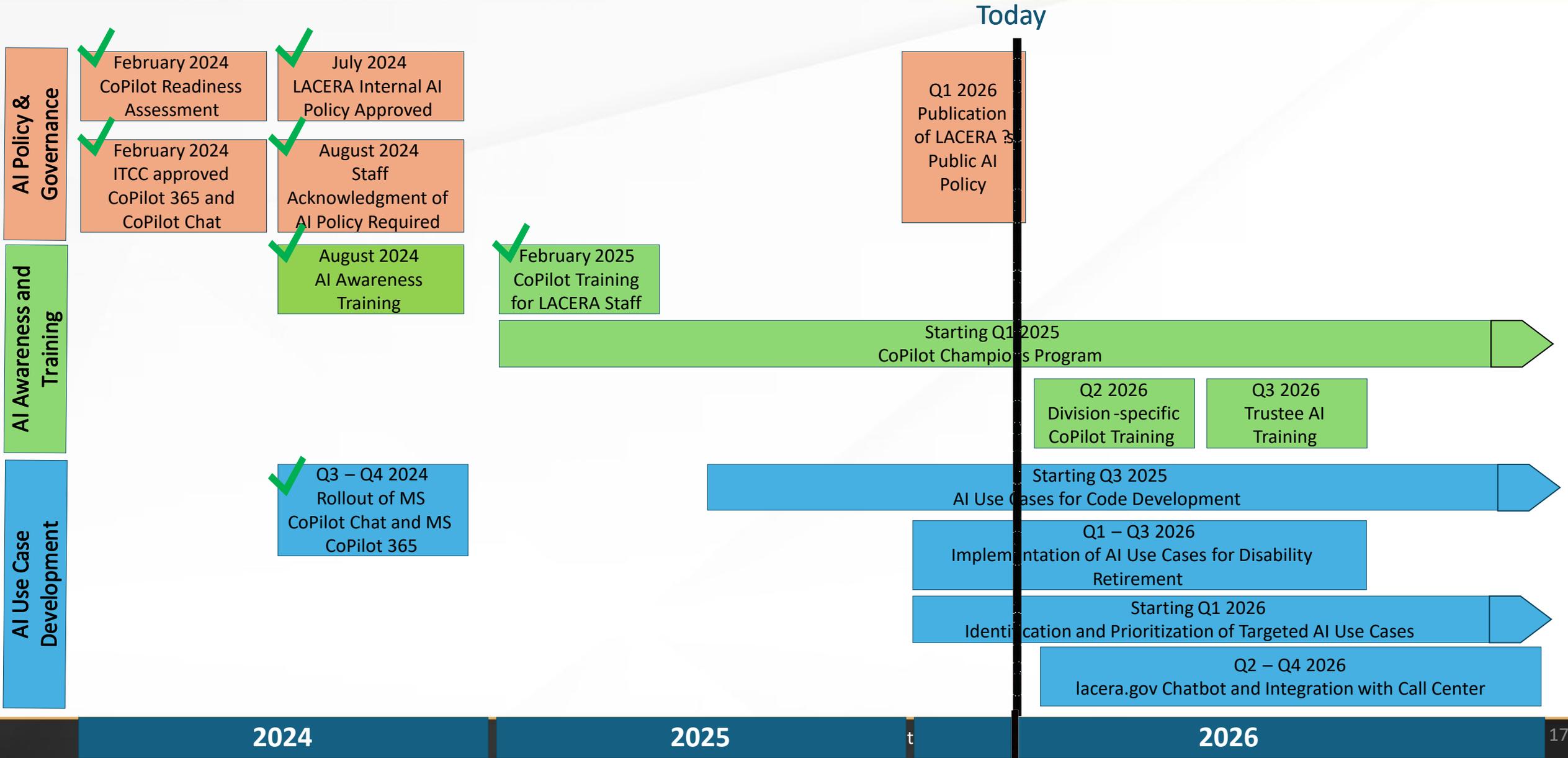
- Standardized Low-Touch Process

IT Trends & Transformation

Artificial Intelligence (AI) Update

Presented by:
Joe Shiuan, IT Manager

LACERA's Generative and Agentic AI Progress

Today

AI Policy & Governance

✓ February 2024 CoPilot Readiness Assessment

✓ July 2024 LACERA Internal AI Policy Approved

✓ February 2024 ITCC approved CoPilot 365 and CoPilot Chat

✓ August 2024 Staff Acknowledgment of AI Policy Required

Q1 2026 Publication of LACERA's Public AI Policy

AI Awareness and Training

✓ August 2024 AI Awareness Training

✓ February 2025 CoPilot Training for LACERA Staff

Starting Q1 2025 CoPilot Champions Program

Q2 2026 Division-specific CoPilot Training

Q3 2026 Trustee AI Training

AI Use Case Development

✓ Q3 – Q4 2024 Rollout of MS CoPilot Chat and MS CoPilot 365

Starting Q3 2025 AI Use Cases for Code Development

Q1 – Q3 2026 Implementation of AI Use Cases for Disability Retirement

Starting Q1 2026 Identification and Prioritization of Targeted AI Use Cases

Q2 – Q4 2026 lacera.gov Chatbot and Integration with Call Center

2024   2025   2026

LACERA AI Solutions Overview

Current AI Applications in Use

- Microsoft CoPilot Chat
- Microsoft 365 CoPilot
- AI-Powered Transcription for Public Videos
- Business Intelligence and Data Visualization Tools
- AI-Assisted Code Generation
- AI-Assisted Test Case and User Story Generation

AI Projects in Development

- Lacera.gov Conversational Chatbot with Integration into the Member Call Center Solution
- AI-Enabled Analysis of Disability Retirement (indexing workflow)

Future AI Projects

- AI Assistance for Board Meetings
- AI-Assisted Contract Review
- AI-Assisted Legal Research
- Intelligent Document Processing (IDP) for Incoming Documents
- AI-Enhanced Excel Productivity (investment analysis)

Thank You!

Questions?

LACERA

FOR INFORMATION ONLY

February 15, 2026

TO: Operations Oversight Committee
Nancy M. Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate Trustee

FROM: Chaitanya Errande
Information Security Officer

FOR: March 4, 2026, Operations Oversight Committee Meeting

SUBJECT: Privacy Incidents: Personally Identifiable Information (Monthly)

EXECUTIVE SUMMARY

The Information Security Office has been investigating and reporting privacy-related events. Potential privacy breaches are classified as "events" until investigations confirm them as "incidents." To address prior Board feedback, we have enhanced the readability of this report through concise language, structured formatting, and a clear summary table.

A total of 4 events were investigated, with **4** confirmed as incidents, including **4** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI) for the Month of January 2026. Severity levels are low. As a standard practice, affected members are offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

DISCUSSION

Process Improvements

The following changes have been implemented in our privacy incident management process:

1. **Oversight:** The Information Security Office now leads the investigation and reporting of all privacy-related events.

2. **Workflow Improvements:** We discovered that two case files were opened at the same time by a Benefits Division Specialist. We recommended that cut- and-paste activities should be restricted to template documents to further minimize the potential for exposure of sensitive information.

3. **Readability Improvements:** Per Board feedback, this memo uses clear section headings, a summary table, and concise language to enhance comprehension.

4. **Education:** The Information Security Office has engaged in discussions with the Benefits Division Section Heads to review workflow procedures. It has been established that any future investigations involving the exposure of Personally Identifiable Information (PII) within the Benefits Division must first be discussed and reviewed with the appropriate Section Head. As part of this process, the Section Head will coordinate with the relevant Benefits Specialist to identify and assess the root cause of any potential exposure. This collaborative approach is intended to ensure thorough investigation, accountability, and the implementation of corrective actions to mitigate future risks.

5. **Divisional Privacy Practices Assessments:** The Information Security Office (ISO) will be conducting divisional assessments to evaluate existing practices to suggest improvements.

Incident Summary

Incidents	Under Investigation	Closed	PII Incidents	PHI Incidents
4	0	4	4	0

A total of **4** confirmed incidents, including **4** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members are offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

Incident Details

Incident #1

	Details
Incident Date	October 16, 2025
Discovery Date	October 27, 2025
Status	Closed, January 27, 2026
Description	Notice of Overpayment" of a deceased member was indexed to another member's account.
# of Members affected	1
PII Exposure	Member name, address, Member ID #
Cause	The representative was working on two cases simultaneously and inadvertently copied information from one record into another.
Remediation / Corrective Action	More training is needed to prevent recurrence of the above incident. LACERA representative should work on one case at a time, and two cases should not be opened at the same time.

Incident #2

	Details
Incident Date	December 09, 2025
Discovery Date	December 10, 2025
Status	Closed, January 27, 2026
Description	Quality Control process identified that a Beneficiary Selection letter for member had been incorrectly indexed to another member's account.
# of Members affected	1
PII Exposure	Member name, address, LACERA ID, Beneficiary selection information
Cause	The Benefits Specialist responsible was concurrently managing two cases and inadvertently uploaded the documents to the incorrect member record.
Remediation / Corrective Action	More training is needed to prevent recurrence of the above incident. LACERA representative should work on one case at a time, and two cases should not be opened at the same time.

Incident #3

	Details
Incident Date	January 23, 2026
Discovery Date	January 23, 2026
Status	Closed, January 27, 2026
Description	Confidential email communications between LACERA's Legal Services attorneys and the law firm representing members were mistakenly forwarded to an external party (person).
# of Members affected	1
PII Exposure	Member name, address, Legal Information, Healthcare benefits information
Cause	The Retiree Healthcare staff intended to forward an email containing legal matters to Senior Staff Counsel in Legal Services. However, the message was inadvertently sent to an external vendor.
Remediation / Corrective Action	The staff member was advised to exercise heightened diligence when handling emails containing confidential or sensitive information.

Incident #4

	Details
Incident Date	January 26, 2026
Discovery Date	January 26, 2026
Status	Closed, January 27, 2026
Description	Member reported receiving documents intended for herself, but within the same envelope she also received correspondence for two other members.
# of Members affected	2
PII Exposure	Member 1: name, address, Birth Certificate Information Member 2: name, address, Marriage Certificate Information
Cause	The documents involved were single-page items. During processing, the sorting machine inadvertently pulled three separate documents (Three members) together and folded and inserted them into a single envelope.
Remediation / Corrective Action	The staff have been instructed to feed a designated number of documents into the sorter and to verify that the envelopes produced match the corresponding input documents. In this instance, DPC staff did not complete the required verification step, resulting in three documents being mistakenly inserted into a single envelope. To mitigate the risk of similar incidents occurring in the future, it is recommended that additional training be provided to Document Processing Center (DPC) personnel.

Reviewed and approved:

Luis A. Lugo
Chief Executive Officer

CE:ZF:nm