



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## TREASURER JOHN CHIANG STATEMENT ON THE RECENT NEWS STORIES SURROUNDING CALPERS CEO MARCIE FROST

**SACRAMENTO** – *The following is a statement from State Treasurer John Chiang on the multiple news stories involving CalPERS CEO Marcie Frost:*

"Since her appointment in June 2016, Marcie Frost has largely proven her competency as the CEO of the nation's largest pension fund, and I have submitted extensive performance evaluations that reflect my favorable opinion of her. However, recent ethical questions are not so much focused on her work once on the job, but rather on how she got the job to begin with.

"Now, some are accusing her of knowingly and willfully making false and misleading statements regarding her pursuit of a college degree at the time she applied to CalPERS. Others concede that the misstatements may have been the result of benign misunderstandings, but point to her benefitting from the misimpressions by failing to set the record straight in a timely way.

"I can no longer sit on the sidelines, watching how some have been quick to paint Ms. Frost as an untruthful villain, while others have too casually dismissed what are serious allegations. Both are a rush to judgement. As someone who has always favored evidence-based decision-making, I believe we must focus on a fact finding mission that ascertains what information was initially submitted and where that information was unfortunately distorted.

"Integrity and transparency matter. Ms. Frost's, as well as the pension system's long-term success depend on vigilantly maintaining the public's trust.

"Therefore, I am requesting we conduct an independent review -- by a neutral third party -- that removes any inherent bias that the Board, including myself, may have towards our CEO. This will allow us to say, with a straight face, that CalPERS does not act in an arbitrary manner.

"Once this independent firm reviews the allegations and reports its findings to the Board, we will have the objective information necessary to make an informed decision. An opaque process that lacks independent fact-finding, due process, and thoroughness is no way to

conduct state business or resolve a situation impacting millions of members and billions of dollars.

"While I believe Ms. Frost has performed well in her role and hope she will be completely exonerated, my fiduciary responsibility to CalPERS and its nearly two million members must come first. We have a duty to follow the facts to whatever ends serve the best interests of our members.

"An organization with the strong reputation of CalPERS needs to have a leader with unimpeachable integrity. If we do nothing, we will be perpetuating a double standard. Worse yet, a cloud of controversy will continue to hang over the head of the nation's largest public pension fund. Until that cloud is removed, pundits will continue to question the decisions made by its leadership."

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