



Presented by:

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About LACERA

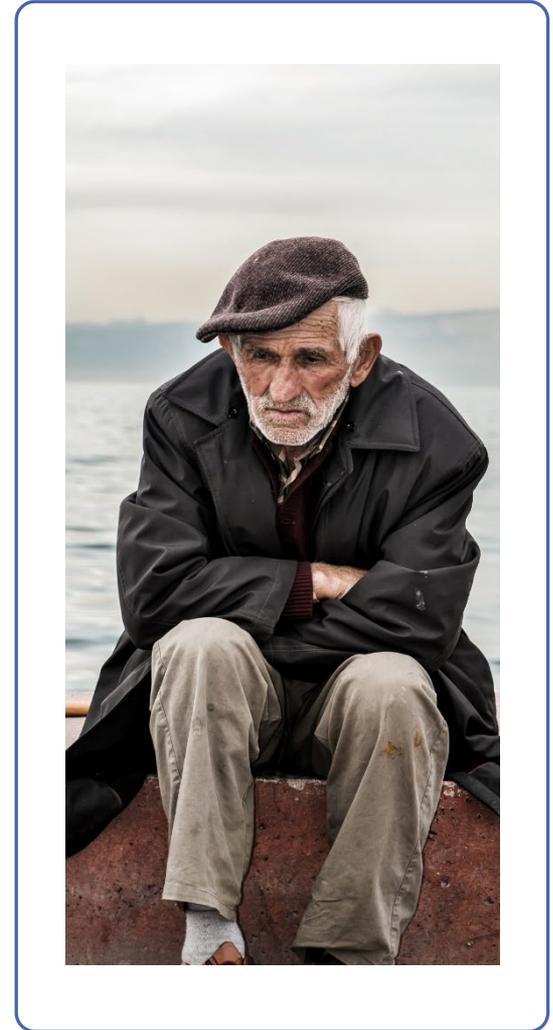
- The Los Angeles County Employees Retirement Association administers the defined retirement plan benefits for the employees of Los Angeles County and outside Districts.
- LACERA's Mission: Produce, **Protect**, and Provide the Promised Benefits.

LACERA Payee Age Demographics

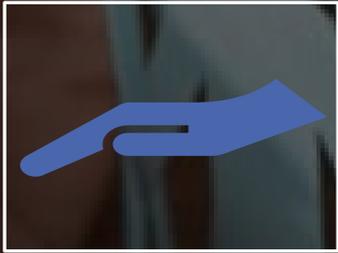


Elder Abuse Statistics

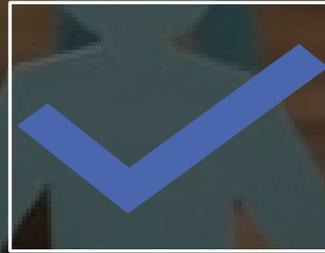
- National Center on Elder Abuse: 6 million cases of abuse in the US every year. Majority of all the elder abuse cases occur in California.
- Los Angeles County: 16K seniors are abused or neglected at any given time.
- Surveyed Seniors: 75% in LA County claimed they were abused either through neglect, financial abuse, or psychological abuse.
- National Care Planning Association: **90%** of all elder abuse is perpetrated by family members.



Benefit Protection Unit Our Purpose



Protect Our
Members



Protect their
Promised
Benefits



Protect the
LACERA fund

What Do We Do?

Member Verification Process

- In-depth look at a member's accounts when suspicious behavior has occurred and determine the appropriate resolution plan.

Death Match Process

- Reconciliation and review of death reports provided by our death verification vendor (DVV).





What Do We Do?



Foreign Payee Verification Process

- Contact foreign payees for identity verification, to confirm they are alive and that they are properly receiving their benefits.

Direct Deposit Verification Process

- Verify bank account ownership in REAL TIME to prevent any misappropriation of benefits to an unauthorized account.



What Do We Do?

Member Portal Account Monitoring

- BPU reviews member accounts where there have been five or more failed attempts to access the member's portal account.

Executive Case Referrals

- Special Projects as assigned by management and the LACERA Executive Office.

Member Verification Process Case Types

Fraud

Abuse

Legal
Representation

Lost Contact

Late Death
Notification

Failed Identity
verification

Cases Deemed
as High Risk

BPU's Toolbox



Online Database SEARCH

SSA Online Verification

Death Verification Vendor (DVV)

Real-Time Bank Account
Verification

Third-Party Investigators

Handwriting Specialist

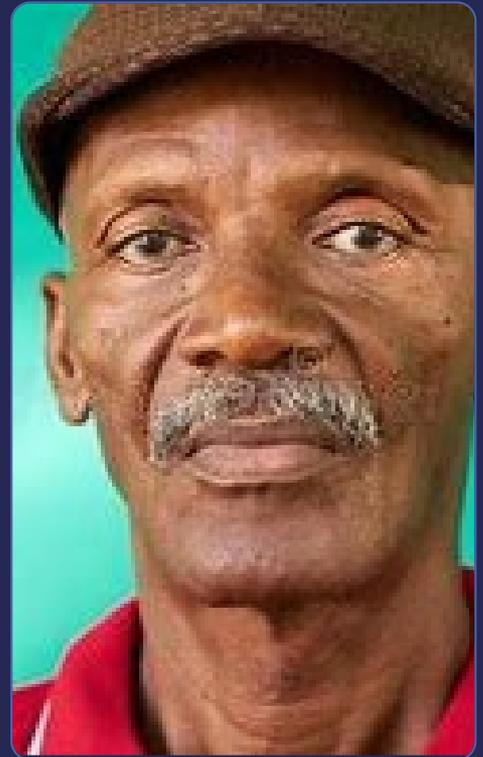
External Agencies & Internal
Partners

Member Verification Case Statistics

FY	BPU CASES
2016	130
2017	245
2018	972
2019	1,829
2020	1,417
2021	1,764
2022	1,975
2023	878

Unfortunate Situations: Fraud

- Deceased @ age 83
- Member was receiving both member and survivor benefits.
- One year after member's death, granddaughter claims she is the mother of his two minor children and is pursuing LACERA benefits for the children.
- Suspicious behavior observed on the account in the past (Impersonations by phone, attempts to redirect benefits, etc.).



Unfortunate Situation–Case Resolution

- 1) Account review–recent phone calls, letters, account changes.
- 2) Birth certificates review.
- 3) CLEAR search.
- 4) Investigator sent to interview granddaughter.

STATISTICAL RECORD

Name of Child: JOHN EDWARD BAKER
Date of Birth: Jan 25
Place of Birth: VIRGINIA MATTHEWS BAKER
Sex: Male
Color of Hair: Blue
Color of Eyes: Blue
Place of Marriage: None
Date of Marriage: None
Number of Previous Children by this Marriage: 0
Number of Children During Marriage: 1
Date of Marriage: None

Left Foot Print: [Footprint]
Right Foot Print: [Footprint]

Data Breaches by Year

YEAR	NUMBER OF DATA BREACHES	NUMBER OF INDIVIDUALS IMPACTED
2017	1,631	2,081,515,330
2018	1,280	2,231,245,353
2019	1,362	887,286,658
2020	1,108	300,562,519
2021	1,862	293,927,708

Data source: Identity Theft Resource Center, 2021 Data Breach Report.

Identity Theft in the United States

2017	2018	2019	2020	2021
370,916	444,344	650,523	1,387,615	1,686,121

1. Texas: 146,111
2. California: 133,145
3. Illinois: 117,057
4. Florida: 110,691
5. New York: 109,480



Data source: Federal Trade Commission (2022).

Unfortunate Situation: Security Incident

In 2018, 27 member accounts were subject to attempted identity theft and impersonation.



The perpetrator used publicly available information in their attempt to divert the member benefits to fraudulent bank accounts.

After being alerted of the first incident, BPU uncovered a pattern, and alerted LACERA's Incident Response Team (LIRT). We also alerted our members and prevented any loss.

Unfortunate Situation–Case Resolution

- 1) Account review–phone calls, letters, account changes.*
- 2) IP & Email Addresses reviewed.*
- 3) Contact made with Members.*
- 4) Filed a Report with the FBI's Cyber Crime Unit.*

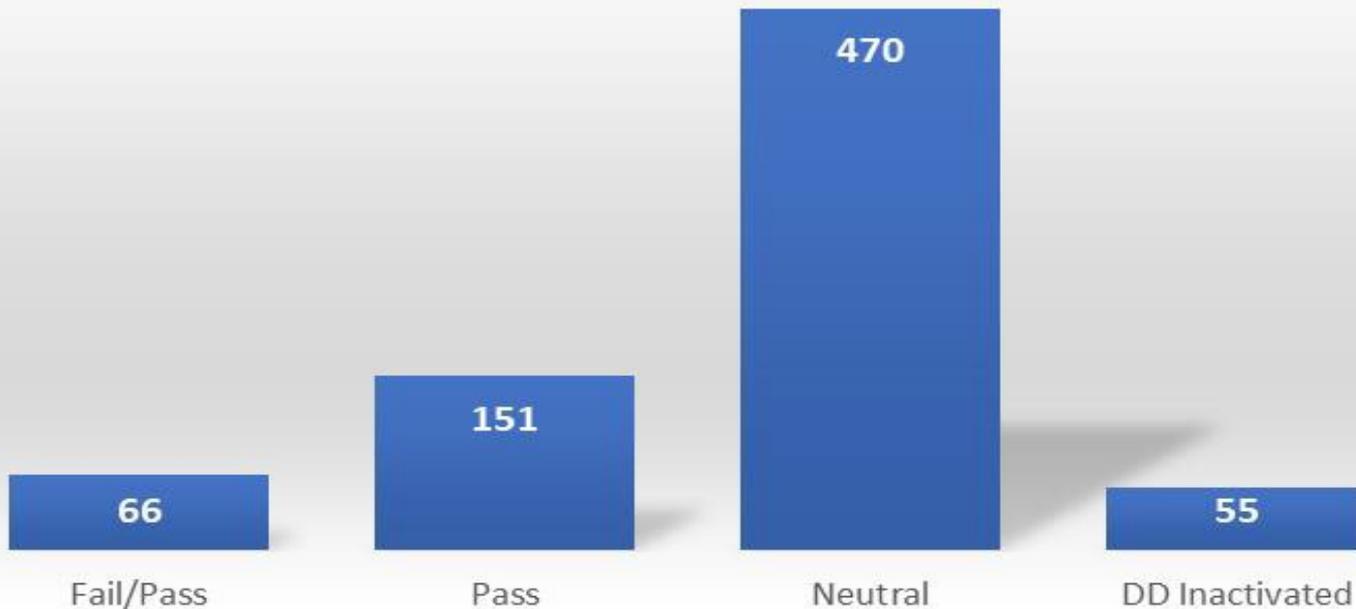
The background of the slide features a person in profile, wearing a white beanie and a dark jacket, looking at a laptop. The entire scene is overlaid with a semi-transparent blue filter and a pattern of binary code (0s and 1s) in a lighter blue color. The person's hands are on the laptop keyboard, and the laptop screen is visible on the left side.

The Beginnings of the Direct Deposit Verification Process...

- Verify Bank ownership in REAL TIME to prevent any misappropriation of benefits to an unauthorized account.
- Thorough review of accounts posing red flags.
- Take appropriate steps for case resolution.

Direct Deposit Verification Statistics

Direct Deposit Activity FY 21-22



Death Match Process

LACERA provides member file to DVV semi-annually.

DVV provides death match reports weekly.

BPU verifies death through SSA, CLEAR, obituaries, and notification to member.

BPU processes verified deaths. Living members provide proof of status. Unresolved cases are investigated further.

Death Match Process Statistics

FY 2021-2022		
Deaths Reported by DVV	Payments Suspended	Prevented Overpayments
2,664	457	\$2,151,716

The “prevented overpayments” figure is estimated based on LACERA's 2022 Comprehensive Annual Financial Report (CAFR), reflecting an average retirement benefit of \$4,708 per month (general and safety members combined).

Foreign Payee Testing

- LACERA has approximately 256 payees living internationally.
- On an annual basis, LACERA contacts these foreign payees to confirm they are alive and well, and they are properly receiving their benefits.

Foreign Payee Testing Results 2022

	Net Benefit Payment
Highest Dollar Amount	\$13,921.00
Lowest Dollar Amount	\$77.00
Monthly Payroll	\$604,652.00
Yearly Payroll	\$7,255,824.00

Calls	Virtual Meeting	US Embassy	Deceased	Non-Response
208	16	14	8	10

Our Foreign Payee Population



Top 5 Countries

PHILIPPINES	48
CANADA	25
MEXICO	18
THAILAND	16
PUERTO RICO	10

Foreign Payee Case



- Pre-Pandemic (No Virtual Meeting)
- Member resides in Jalisco, Mexico
- Ongoing issue with delivery of pension checks to the address on record.
- Unable to have Confirmation of Identity form completed by the U.S. Embassy.
- Numerous calls and emails from what we believe was an impersonator.
- Monthly Benefit amount: \$3,004.26

Investigation Results

- Investigator traveled to Jalisco, Mexico for an in-person interview.
- The member did not respond to the investigator's attempts to set up an appointment.
- The address on record was determined to be an abandoned building. Neighbors confirmed it was abandoned for years.



Thank You...

