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Feds Charge Ks with Fraud Over Pensions

WICHITA, Kan. (AP) - Federal authorities have filed securities fraud charges against Kansas accusing the state of misleading investors about the financial health of its underfunded public employee pension system.

The Securities and Exchange Commission said Monday that the state has consented to its cease-and-desist order to settle the case. The state has since adopted policies and procedures to help ensure disclosures about pension liabilities are made in its bond offerings.

No monetary sanctions were imposed.

The SEC says Kansas has implemented remedial actions and agreed to settle the charges for its prior incomplete disclosure.

Governor Sam Brownback says in a statement that since taking office he has made restoring the health of the Kansas Public Employees Retirement System a priority. He says Kansas has made significant strides.

Associated Press