



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

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**CITY ATTORNEY'S OFFICE NEGOTIATES SETTLEMENT WITH RETIRED POLICE OFFICER IN DROP WHO
RECEIVED UNEMPLOYMENT BENEFITS**

San Diego, CA: The City Attorney's Office announced that they have reached a settlement agreement with the retired police officer who illegally received unemployment benefits.

Under the settlement (which is attached), and in exchange for the City agreeing to dismiss the lawsuit against Mr. Leon with prejudice, he will waive any right he may have to appeal the unemployment appeal board's decision in the City's favor, and pay full restitution to the Employment Development Department for all benefits which he received as a result of the unemployment application filed in June 2013. In addition, Leon has agreed to pay the City \$2000 to cover attorney's fees expending in prosecuting this case.

Last year, the City initiated litigation against Jorge Leon when they learned that after voluntarily entering into the City's Deferred Retirement Option Plan, known as DROP, he was also granted unemployment benefits. Under the DROP program, participants agree to retire at a specific time in exchange for accumulating retirement funds during their participation. Mr. Leon claimed that he was not subject to that commitment because the interest rate on his accumulated funds had been reduced. In response, the City filed this lawsuit to rescind his participation agreement and return the accumulated funds to the City.

In addition to the litigation, the City Attorney's Office pursued an appeal of the Administrative Law Judge's (ALJ) ruling when they granted unemployment benefits to Mr. Leon. In January 2014, the ALJ board agreed with the City Attorney's Office position that the granting of such benefits was improper and Mr. Leon left his employment voluntarily and is disqualified to receive unemployment benefits.

"This puts an end to employees who voluntarily retire under DROP and try to game the system by seeking unemployment at the expense of the taxpayers. The time spent by our office in pursuing the successful appeal of the Administrative Law Judge's adverse decision will be fully reimbursed by Mr. Leon." said City Attorney Jan Goldsmith. "This matter has been settled and does not diminish the fact that Mr. Leon served this community well as a police officer. We wish him well in retirement."

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