

# **Bond Case Briefs**

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## **Aon Pays \$1.5M SEC Penalty Over Key Return Rate Discrepancies.**

**The Pennsylvania pension fund “repeatedly raised questions” about Aon’s return rate calculations, noting a 37 basis point discrepancy, the SEC found.**

### **Dive Brief:**

The Securities and Exchange Commission announced Friday it settled charges against Aon Investments USA, a Chicago-based investment adviser, and its former partner, Claire Shaughnessy, for misleading the Pennsylvania Public School Employees’ Retirement System about “the reason for a discrepancy between two different calculations for the large pension fund’s investment returns.”

The case centered on questions raised by the pension fund regarding a discrepancy that Aon failed to “adequately investigate” related to reports on an investment return rate for a nine-year period ending June 30, 2020. The rate was tied to a “risk-share” provision that required public-school employees to contribute more to their pensions if it fell below 6.36%.

Without admitting or denying the findings, Aon agreed to pay a civil penalty of \$1 million and disgorgement and prejudgment interest of \$542,187 and Shaughnessy agreed to pay a \$30,000 civil penalty. “Investment advisers must be scrupulously honest with their clients. Pension funds and other municipal entities should be able to trust that their investment advisers are telling them the truth,” said LeeAnn G. Gaunt, chief of the SEC’s public finance abuse unit.

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### **CFO Dive**

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