



10|21

IN THIS EDITION:

•Update from Executive Director

KEEPING ORTA MEMBERS APPRISED OF HAPPENINGS AND EVENTS



Alissa Burton, Exiting ORTA  
Publications and Communications  
Coordinator

## FROM ORTA COMMUNICATIONS

Hello to all ORTA members!

Many of you already know that I am exiting my position as ORTA Communications and Publications Coordinator.

As I had mentioned in my outgoing email, it's because of all of you that I am able to take this next step in my life and career.

I'm using this time to say thank you for the overwhelming number e-mails and phone calls of support as I leave. Some of the words and kindness you shared will be something I will forever remember, and take with me.

I know that many of you rely on certain assistance with your webpages or social media platforms, but I think you all are doing great! Keep doing what your doing, and you'll be just fine! I won't be able to help the way I used to, but seeing what your up to in your chapters is something I'll find myself doing from time to time, I'm sure.

As also mentioned in my letter, please be patient and understanding with the ORTA office at this time. It will take a bit to get the communications back to where they were, but be aware that the office is using all resources they can to continue to bring all updates necessary.

I can't wait to watch what the organization does from afar, and I have full faith that the missions to advocate and restore the COLA are coming to fruition!

Again, I've said as many thank you's as I can, but what's one more—THANK YOU.

Please stay safe, be kind and keep on teaching us valuable life lessons.

Best Wishes,

Alissa A. Burton, Former ORTA Communications and Publications Coordinator



Dr. Robin Rayfield, ORTA  
Executive Director

# FROM OUR EXECUTIVE DIRECTOR

## STRS News

ORTA has been active in spreading our message regarding what is taking place at STRS. The forensic audit conducted by Mr. Siedle and released in June of this year revealed significant issues or irregularities in the management of our pension fund. In a nutshell several findings were presented in the preliminary report *The High Cost of Secrecy*. Mr. Siedle suggested several causes for concern:

- STRS management is not transparent with regards to how our pension is managed. The fees and or costs associated with investing our money. In fact, Mr. Siedle has been forced to bring legal action against STRS to learn what the fees and or costs associated with our alternative investment portfolio are.
- STRS has overstated investment returns while under reporting the fees and costs associated with those investments.
- STRS investment employees have not earned any bonus payments over the last several years when compared to the benchmarks listed to earn those bonuses. Despite the poor performance when compared to their benchmarks listed in the policy, STRS has paid bonuses in each of the last 10 years.
- Despite STRS's claim that their 'active management' program adds \$100,000,000 each year to the STRS portfolio in 'added value', Mr. Siedle's report claims that STRS's active management program costs our pension program \$400,000,000. Quite a difference!
- STRS management ignored 9 findings presented in the 2006 ORSC fiduciary audit. STRS states that they did not ignore these findings. STRS maintains that because they disagree with the auditor's findings that they do not have to address these findings. One of these findings was that STRS may not pay bonus based on actual performance, that bonus is earned when measured against a benchmark. STRS disagrees that any benchmark is required, and that bonus can be paid whether the benchmark is met or not.

It is interesting to note that despite several 'back and forth' exchanges between Mr. Siedle and STRS management the STRS Board of Trustees have not commented on the report. Trustees Rudy Fichtenbaum and Wade Steen have commented individually, however, the other 7 board members have not commented. Now the Auditor of State has opened a special audit for STRS. Many of the documents that were not provided to Mr. Siedle have been requested by the auditor's office. At the October 21 STRS meeting there was discussion on the restoration of COLA. Also discussed were reductions in the contribution rates paid by active teachers and increases in the contribution rate paid by employers. In all, 17 separate scenarios were presented and discussed. It is truly amazing that when a few legislators, a few reporters, and the auditor of state get involved, the STRS management begin to present ideas related to COLA! I expect some form of serious discussion of COLA at the November meeting. Both Wade Steen and Rudy Fichtenbaum have been outspoken on the need for some form of COLA for retirees. With an STRS election looming we need to see who is on the side of STRS members, active and retired.

### ORTA Presented Ted Siedle October 13

ORTA presented an event with featured speaker Ted Siedle on October 13, 2021. You can watch a video of Mr. Siedle's talk at the ORTA website ([www.orta.org](http://www.orta.org)). Mr. Siedle explained several 'concepts' related to what is going on at STRS. Because STRS is not transparent, it is difficult to know exactly how poorly our investments are doing. Instead of focusing on numbers, Mr. Siedle focused on concepts like:

Lack of transparency

Paying fees on uncommitted capital

Conflicts of interest

Additional presentations were made by Chris Tobe and Marc Dann. Chris is a pension expert and consultant that has recently written the book Kentucky Fried Pensions detailing the problems with the public pension system in Kentucky. Marc Dann is the attorney representing Mr. Siedle in his efforts to get financial records from STRS.

### **ORTA Survey of Retiree Satisfaction**

ORTA remains committed to launching a survey to collect opinions from our members related to their satisfaction with STRS. Unfortunately, the survey will have to be launched in November instead of our intended launch in October.

### **ORTA Board Meeting**

ORTA's board will meet on November 10, 2021, here in Columbus. For those board members unable to attend in person, we will have zoom capability.

### **Forensic Audit Update**

Many ORTA members have heard presentations of what we learned with the Forensic Audit. Each presentation provides a few 'facts' or interesting revelations that Mr. Siedle's work has uncovered. Many local chapters of ORTA have also heard from STRS leaders. I have been present at a few local chapter meetings at which STRS leaders and I presented information regarding the way our pension fund is managed. Of course, STRS management's perception of the way our pension program has been managed and my perception of that management are quite different. After significant back and forth with STRS management over the last few months, I have listed below what are the primary things that I feel sum up what we have learned.

- Despite their constant refrain that STRS is the most transparent organization in the state or the country, I can say, with certainty, that STRS is NOT Transparent. We have asked for simple information regarding our investments and STRS has NOT provided this basic information. Regarding our alternative investments STRS has not shared 1) how much money is invested in each of the 135 alternative investments; 2) what are the fees and costs associated with these investments; 3) what are the investments worth at the current time. Knowing this information will allow the investors to know how much our alternative investment strategy is really making. Board of trustee Rudy Fichtenbaum wrote a piece that suggests that STRS investors have not 'met a benchmark' in 10 years. As such, they have not earned any bonus during that time and yet STRS investors received a bonus in each of those 10 years.
- STRS employees have the best deal in the US pension world. 30 of the top 200 pension salaries in the US pension world belong to STRS employees. STRS has the highest number of people at the top of the salary range in the country when comparing people working in the public pension world.
- STRS Members (active and retired) have the worst deal in the pension world. When you consider that retirees were promised (and guaranteed by law) a pension that grew throughout their retirement and that promise has been broken, our retirees have not received what they were promised. Many of our retirees have gone 8 years without an increase. With a projected retirement of 18 years many of our people are approaching the 50% mark of their retirement life. But what is happening to our active members is even worse! Active contributors pay a 14% contribution rate. 4% higher than what I paid in 2011. Their benefit is only 10.6%. That's right, they pay in MORE than their pension is worth! With no COLA in sight these active people will get shafted their entire relationship with STRS, as actives and retirees.

- Despite STRS's constant 'spin' on the Panda Power debacle, it is factual that STRS investors LOST \$525,000,000 on one investment. That is not only significant, but it also borders on incompetent. And even though STRS states that they were transparent with the news of the loss in the Panda Power investment, not 1 STRS board member will confirm that claim of transparency. As a person that attempts to keep tuned in to such matters, I can assure you that this information was not shared with the membership. How many more alternative investments have resulted in losses? Why not share with the investors the complete picture of which investments were positive and which were negative?
- It seems like everyone that works for or with the STRS pension system gets rich except the investors. The highly paid consultants make money directly from the pension fund through high fees and make money from the hedge funds that they recommend STRS invest in (conflict of interest). The investment staff at STRS make incentive payments (bonus) whether they meet their benchmarks. These bonuses can be as much as 125% of their already high base salary. The management of STRS make \$200,000 to \$300,000 in salary with a raise each year. Look at your local school district and see how many of your top educators make over \$200,000 each year. Yet at STRS this salary range is common. And Wall St. loves STRS. We are their cash cow. Wall St. has taken billions over the last several years from our pension by way of excessive fees and costs. STRS facilitates this plunder of our pension. The only people associated with STRS that do not get rich are the investors. In fact, the people that put the money in are the only ones that lose. Everyone else gets paid to keep the status quo.
- Some bright news, however, concerning the STRS mess. Not that I have much faith in the corrupt political system in Ohio, but the Auditor of State in Ohio recently announced that a special audit of the STRS pension fund will begin shortly. <https://www.stateneews.org/government-politics/2021-10-20/special-audit-planned-into-ohio-teachers-pension-fund> Interestingly, many of the same documents requested by Edward Siedle of Benchmark Financial for his forensic audit, were requested by the Auditor of State.

I will close with wishing Alissa Burton (ORTA Communications and Publications Director) the best of luck as she leaves ORTA for the sunshine of California. Alissa has been a big part of the success we have experienced at ORTA and will be greatly missed. The City of Fresno's gain is ORTA's loss! God's Speed Alissa.

As ORTA transitions to replace Alissa, I trust that ORTA members will be patient. We will do our best. Alissa is something of a Unicorn. There are not many people around that have her unique skillset and personality. Again, we ask for your understanding during this time.

Best Regards,



Robin Rayfield, Executive Director of ORTA

# FOLLOW ALONG WITH THE STRS FORENSIC AUDIT

Edward “Ted” Siedle’s work is underway! Mr. Siedle has written an award winning book on how these investigations work, and explains step-by-step the procedure and process of the investigations.

Mr. Siedle has graciously provided copies of his book to the ORTA office, and we want our members to read alongside while the work is being done.

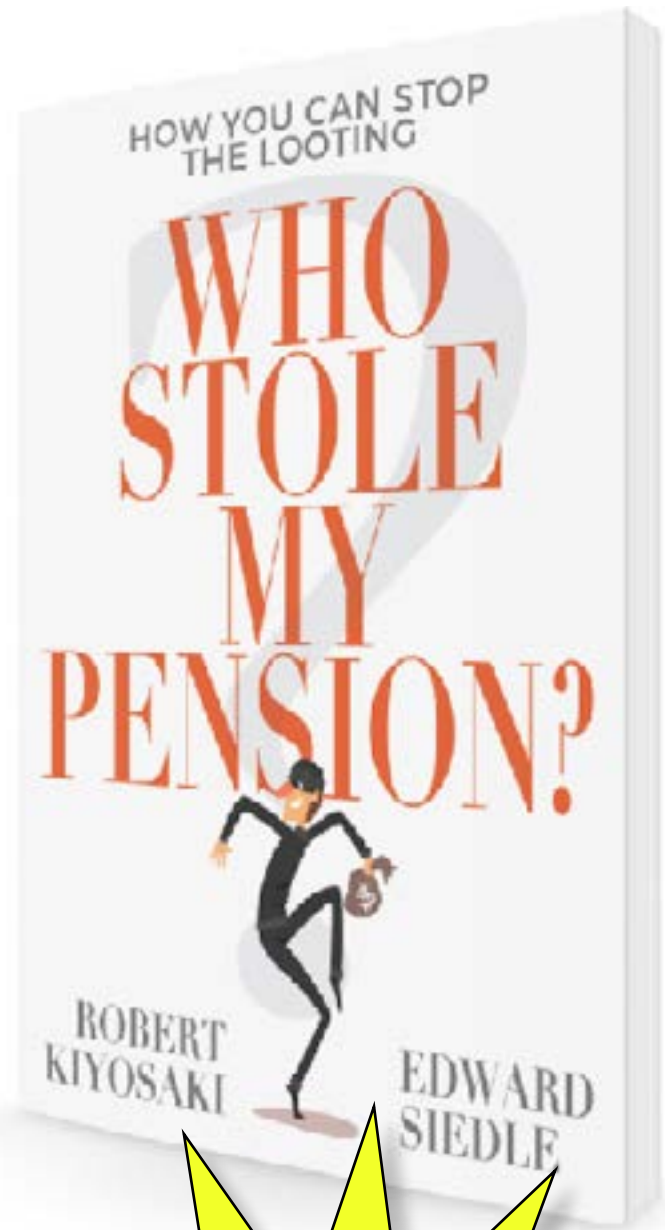
This book will help us understand the results of the audit upon completion, and will be a resource for questions you may have about the audit process.

Call our office today to find out more details on getting a copy TODAY!

**614.431.7002**



Above: Edward “Ted” Siedle, author of “Who Stole My Pension?”





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Worthington, OH 43085**



**\*\*Remember, the date we process your payment is your new due date for the following year (i.e. 05/30/21, new due date is 05/30/22). If you pay your ORTA dues to your local chapter, your payment is applied upon receipt to our office.**

*Thank you!*



# IN MEMORIAM

## **Lucas Co.**

Barbara Gillmore, PCRTA and ORTA Member

## **Noble Co.**

Lucy Jane Bates, NCRTA and ORTA Member

## **Portage Co.**

Jan Fitts, PCRTA and ORTA Life Member

Janet L. Fencl, PCRTA and ORTA Life Member

## **Stark Co.**

Iola D. Hillebrecht, SCRTA and ORTA Life Member

Bernard F. McDonald, SCRAT and ORTA Life Member

**\*Deceased Member submission Policy update: If you submit member(s) passing, please forward any obituary or funeral arrangements for our records.**

***“When our time on Earth has been complete, Our spirit moves on, more mysteries to seek. Celebrate what this person meant to you, Cherish the memories when this life you review.”***

***—B.J. Woodruff***



OCTOBER 2021 - ORTA NEWS

# IMPORTANT CONTACTS

## **ORTA (Ohio Retired Teachers Association)**

250 E. Wilson Bridge Road | Suite 150

Worthington, OH 43085

614-431-7002 | [www.orta.org](http://www.orta.org)

## **STRS**

### **(State Teachers Retirement System of Ohio)**

275 E. Broad Street | Columbus, OH 43215

(888) 227-7877 | [www.strsoh.org](http://www.strsoh.org)

## **AMBA Benefits**

### **(Association Member Benefits Advisors)**

6034 W. Courtyard Drive | Suite 300

Austin, Texas 78730

(800) 258-7041 | [www.myambabenefits.info/orta](http://www.myambabenefits.info/orta)



# MEMBERSHIP CARDS ARE NOW AVAILABLE!

If you're a paying dues member and would like to receive a membership card, please contact our office.

**Please note, 2021 Membership cards are only sent upon request and if you are current on your membership status.**

Call today to verify your membership standing to receive a 2021 Member ID.

