

January 3, 2017

## **New York State Teamsters Conference Pension & Retirement Fund's Response to the So-Called Forensic Audit Report**

Last week, we learned about a report that supposedly reviewed the Fund's investment strategies. The Fund was not aware that any report or investment review was underway, and only learned about the report because a New York Times reporter called to ask us about it. The newspaper had a copy, but we did not. In fact, we only received a copy of the report because we asked the New York Times to send it to us.

Unfortunately, the report is worthless and its conclusions are wrong and irresponsible. The report claims to summarize a forensic investigation or "audit" of the Fund's investments. But, the so-called "audit" is nothing but a sham intended to mislead the Fund's participants. It was conducted without reviewing the necessary information about the Fund's investments and without contacting the Fund Office or the Fund's investment professionals to request any information. The report admits that the required information was not reviewed, and in fact, buried deep in the report, the authors admit "many of the key documents related to the Plan were not available for review" and "it is possible, indeed, likely that access to all of the relevant Plan information would alter our findings."

Despite admitting that the report was incomplete, the authors make sweeping conclusions about the Fund's investments that are completely inaccurate. Even worse, rather than attempting to obtain information the authors admit they need to finish a review, they instead sent the incomplete report to the New York Times and potentially other news outlets trying to pass it off as a "forensic audit."

Based on this conduct, it appears the real purpose of the audit report was to create a sensationalized news story so the so-called auditors could create publicity and drum up business for their "financial services" company, rather than conduct a true review of the Fund's investments. Whatever the goal, such a careless and irresponsible report does a great disservice to the Fund's participants. Everyone should be careful about being misled by those who are looking to make money or headlines off of what is a gravely serious situation for the Fund. Rather than wasting time and resources on phony audits, our focus should be on finding a solution to the crisis facing many multiemployer pension plans like ours, and the Fund is working with the local unions throughout the state to do so.

We will be issuing a more detailed response in the near future which specifically identifies the inaccuracies and misinformation contained in the report. Participants should know that the Pension Fund's investments have been well-managed, and the Trustees have obtained the best investment, accounting, actuarial and legal advice available to manage your pension monies. Anyone who tells you otherwise doesn't know what they are talking about or doesn't have all the facts.

