**The Ohio University Emeriti Association is represented on the Ohio Council of Higher Education Retirees (OCHER), which meets quarterly to receive reports from STRS and OPERS.**

**Notes from OCHER representative:**

1. **Private equity funds (PE) are not subject to the same regulations as publicly trade mutual funds and have no standard disclosure or performance reports.  Comments about lack of transparency often refer to the performance of private equity investments made by STRS or OPERS.**
2. **The State of Ohio created the Ohio Retirement Study Council (ORSC) to advise and inform the state legislature on all matters relating to the benefits, funding, investment, and administration of the five statewide retirement systems in Ohio.**

The following are excerpts from different sources discussing the performance of the STRS pension fund.

1. Excerpt from forensic audit in 2021 by Edward Siedle (paid for by ORTA, an organization of retired teachers which serves as a watch-dog group)

Key findings of audit

* STRS has long abandoned transparency
* legislative oversight of the pension has utterly failed
* Wall Street has been permitted to pocket lavish fees without scrutiny
* investment costs and performance may have been misrepresented
* failure to monitor conflicts may have undermined the integrity of the investment process, as billions that could have been used to pay retirement benefits promised to teachers have been squandered.
1. Audit by Auditor of State Keith Faber – Faber acted after concerns about the 2021 forensic audit – excerpt below from WTVG

COLUMBUS, Ohio (WTVG) - An audit of the State Teacher’s Retirement System of Ohio found no evidence of anything illegal but says STRS could be more transparent and rethink how it issues bonuses to investment staff.

The Auditor of State, Keith Faber, [released a special audit](https://ohioauditor.gov/auditsearch/Reports/2022/State_Teachers_Retirement_System_of_Ohio_Special_Audit_Report_FINAL.pdf) that found no evidence of fraud, illegal acts or data manipulation related to the $90 billion held in trust by the STRS of Ohio, the auditor’s office said in a news release. In reviewing the pension system, the investigation determined the STRS is well designed and well-monitored internally and by independent experts. Even still, the auditor’s office is recommending stakeholders should review pension system policies and laws to consider changes and improve the management of pension funds.

Among the suggestions for improvements include implementing better measures to ensure required actuarial reviews and fiduciary audits are done in a timely manner as well as considering changes to how or whether bonus payments are offered to investment staff and removing provisions that shield investment decisions from further scrutiny.

“STRS should be striving to be as transparent as possible on the funds held in their trust,” Auditor Faber said in a statement. “That means fully disclosing how these funds are being invested and the returns or losses on those investments.”

The auditor’s office report comes after retired teachers [concerned](https://www.13abc.com/2022/03/09/ohios-retired-teachers-frustrated-with-pension-fund/) with the retirement system and its elimination of payouts for cost of living adjustments commissioned a [study](https://www.strsohiowatchdogs.com/forensic-audit) in 2021 that accused STRS of lacking transparency and paying out large bonuses to employees. STRS [disputed](https://www.strsoh.org/news/2021/response-to-third-party-report.html) its findings.

Faber’s office said Thursday there is room for public debate and possible police changes to address concerned from STRS members, including on matters of transparency, investments, as well as audit and review requirements.

**Note from OCHER: Here is the link to the Auditor of Ohio report.**

**https://www.strsoh.org/\_pdfs/board/State\_Teachers\_Retirement\_System\_of\_Ohio\_Special\_Audit\_Report\_FINAL.pdf**

1. Response of STRS to audit by Auditor of State Faber

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| STRS Ohio Executive Director Bill Neville shared a summary of the Auditor of State’s recent special audit of the retirement system. Neville pointed out that of 29 allegations reviewed, the Auditor of State found only two with merit. Both were related to audits commissioned by the Ohio Retirement Study Council. |
| Quoting from the special audit report, “STRS’ organizational structure, control environment and operations are suitably designed and well monitored, both internally and by independent experts. These experts help assure that STRS follows applicable asset and liability measurement, reporting, investing and cash management laws, professional standards, and best practices. Our conclusions are consistent with the findings of these independent firms.” |

1. Excerpt from article by NBC Channel 4 Columbus, Feb 16-17, 2023, by Maeve Walsh

“Ohio teacher pension fund board not confident in executive director”

COLUMBUS, Ohio ([WCMH](http://nbc4i.com/)) — The 11-member board of the State Teachers Retirement System is not confident in the pension fund’s leader.

In a split vote Thursday afternoon, the board rejected a motion to declare confidence in STRS Executive Director William Neville, who has presided over the $90 billion public teacher pension fund since June 2020. The final vote — five in favor, five against and one abstaining — fell short of the six votes needed to assert confidence in Neville.

“We have to have a change at the top,” said STRS board member Julie Sellers, who introduced the motion. “The problems that have been here have been here for years, and I just feel like we need to have a direction forward.”

Thursday’s vote came after a contentious few years between Ohio’s public school teachers and the pension fund’s management.