

Mr. Siegfert,

Although I was not the addressee on your email to Mr. DeMarco, I was copied. I have talked with Mr. DeMarco and he agrees that since I work with STRS matters daily and have a better understanding of the communications that originate from my office, it would be best that I respond to your inquiry. This is my response to the many questions you have asked. I have not addressed parts of the content of your email, as I think that the commentary is comprised of opinions that you (and perhaps others including STRS staff and OEA leadership) have.

I appreciate the questions as it is only through the asking of questions that we are able to understand complex issues.

Below are your questions and the responses to these questions:

1. ***In what capacity does Mr. Dittoe serve ORTA? Has ORTA entered into any contracts for services with Mr. Dittoe or High Bridge Consulting? To date, how much has ORTA paid in fees, if any, for Mr. Dittoe's or High Bridge's services, and what is the nature of the services?*** Mr. Dittoe serves in no capacity at ORTA. ORTA did work with High Bridge Consulting for a few months during 2022. There were no fees charged to ORTA and the work on behalf of ORTA by High Bridge was at no cost. Unlike STRS and OEA ORTA does not have millions or billions of dollars to pay lobbyists, so ORTA does accept volunteer assistance when appropriate. The nature of the work was to arrange meetings between ORTA and appropriate elected officials or the representatives of elected officials. During the meeting in question with the AOS ORTA's agreement with High Bridge was in place. Perhaps that is why ORTA was listed as being present at the meeting? Mr. Dittoe did not debrief ORTA about the meeting, so ORTA is unable to offer any description of the meeting. What is most troubling about the AOS report is that the AOS did not contact ORTA at any time for this report. AOS did reach out to Mr. Siedle; however, it was clear to Mr. Siedle that the AOS was not really interested in getting to the real issues at the heart the problems at STRS. On the other hand, STRS was provided multiple opportunities to provide input to the AOS report and were able to 'shape' the finished product. As you can see, ORTA remains suspect of the AOS's office and their desire to uncover issues at STRS.
2. ***Has ORTA since responded to Mr. Damschroder or challenged the accuracy of his criticisms of the***

investment scheme and ORTA? Does ORTA still support the QED investment strategy? What is the nature of the relationship between ORTA and Seth Metcalf, given the fact that they (ORTA through Dittoe) appeared together during Faber's audit? ORTA did respond to an article by Mr. Damschroder when he worked at the Fremont paper. Because ORTA did have significant disagreement with Mr. Damschroder's reporting the response was sent to Mr. Damschroder's editor at the Fremont Paper. The article Mr. Siegfert is asking about is not something that Executive Director Robin Rayfield had seen, but did contain some of the information from the article in the Fremont paper. One clear point of disagreement is the notion that ORTA 'supports' an investment strategy proposed by a company called QED. ORTA does not 'support' ANY specific strategy suggested by ANY company. ORTA does support INVESTIGATION of ANY strategy that shows promise for increasing revenues to STRS. Further, ORTA supports the vetting of investment strategies by competent outside entities, not by STRS staff that have a vested interest in disqualifying any strategy that threatens the STRS' ability to receive lavish bonuses. The same sentiment of independent scrutiny of proposed strategies applies to the consultants STRS uses. Any proposed strategy threatens their contracts as well. As to the nature of the relationship between Seth Metcalf and ORTA, ORTA's executive committee did ask for and receive a presentation of the QED model for investing used in Canada. The presentation was a simplified overview of what STRS prevented Dr. Fichtenbaum, former trustee Bob Stein, and Wade Steen from presenting to the STRS board. Personally, I believe STRS staff should receive NO BONUSES until teachers in Ohio can retire after 30 years of service and all retirees receive inflation protection in the form of a permanent COLA.

3. ***Does ORTA have any plans to report these specific findings to members and either acknowledge the Auditor's conclusions as being correct or refuting them with evidence? Does ORTA have any plans to lobby the state legislature for a change in ORC 3307.67 that would take away STRS's authority to adjust the COLA and make such payments mandatory, as they were prior to pension reform?*** ORTA did refer people to Faber's report. ORTA has limited confidence in the Auditor with regards to this report as, despite compelling evidence that the STRS investment results 'lost' to an index fund based passive strategy. This fact was downplayed by the AOS even though

these losses are the reason behind the financial problems at STRS. Even AOS Faber agreed with Richard Ennis that, using the same asset classes used by STRS, the returns produced by STRS's investment staff were far below returns when compared to returns from an index fund of the same asset classes. ORTA did sift through the many findings and, despite STRS claiming that the AOS vindicated the STRS staff, Faber did take issue with the huge losses to a passive management strategy. Faber was also critical of the transparency issues at STRS. Finally, Faber was critical of the PBI/bonus payments and the complexity of this program. Currently, ORTA is not planning to lobby the state legislature to change ORC 3307.67, however, that is something to consider. Personally, I would be happy if 3307.67 (as it was in place when I retired) was followed.

4. ***Beyond the fee paid to Mr. Siedle for his audit report, is there a continuing relationship between ORTA and Mr. Siedle? Has ORTA paid any further fees or expenses to Mr. Siedle and/or his company? If so, how much has been paid and for what services?*** ORTA has paid Mr. Siedle his fee for the Forensic Audit of STRS. Additionally, ORTA purchased books authored by Mr. Siedle that were passed out to ORTA members. ORTA also hosted a webinar in Columbus that Mr. Siedle attended. His expenses were paid. Mr. Siedle's report *The High Cost of Secrecy* is not the final product of his work for ORTA. Siedle continues to fight in court for the public records STRS refuses to provide. When those records are made available Mr. Siedle will complete his work at ORTA.
5. ***Did ORTA play any role, financial, advisory, or otherwise in the creation of the Save Ohio STRS website, its content, design or the collection and/or expenditure of funds donated through the site? Is ORTA leadership aware of any individuals affiliated with its partners at the STRS Members Only Forum, the STRS Watchdogs and Ohio Federation of Teachers who may have helped design and provide campaign material for it? Has ORTA or any officer contributed to the endorsed candidate through the website?*** ORTA played no part in the creation of Save Ohio STRS. ORTA did talk with Tom Curtis, the founder of this webpage. It is quite possible that individual ORTA members contributed to Mr. Curtis' website, however, no ORTA funds were paid towards this effort. It is also possible that ORTA newsletter information or communications were posted on the SOS website, however, ORTA had no access to this website. Your statement also

mentions a court case that has been filed by the ORTA President -Elect. Since this was filed by an individual and not ORTA, I am unable to offer any additional information on the status of the case.

6. ***Please list the specific incidents of corruption of which STRS is accused in the May 8 ORTA News Alert.*** The corruption referred to in the May 8 News Alert could refer to many things. It is the ORTA opinion that STRS's secrecy and lack of transparency is a source of corruption and that paying bonus payments on valuations that they knew were inaccurate is corrupt. When it comes to corruption, STRS can be criticized widely. One might refer to Mr. Siedle's recent editorial in the Toledo Blade for additional information. I find the fact that STRS paid the largest bonus ever to its investment staff (\$10 million) for the year in which they LOST \$5 billion dollars to be corrupt. What is worse, the STRS board approved these bonuses, at a time when the actual loss was known to be greater than what was presented. STRS staff reported losses of \$3 billion, but the losses were actually \$5 billion. This points to purposeful misrepresentation, a.k.a. corruption.
7. ***Please explain the nature of ORTA's partnership with the Ohio Federation of Teachers.*** ORTA 'partnered' with OFT, STRS Members Only, and STRS Watchdogs on the endorsement process of candidates for the STRS board seat. ORTA has collaborated with candidates for STRS board seats with OFT previously. That is the extent of the relationship between ORTA and OFT. Remember, ORTA has no money to spend on candidates. All we have is the truth of our message. Unlike OEA who spends hundreds of thousands of dollars, only to lose elections, ORTA speaks what we believe to be truthful statements about these elections.

Is ORTA in possession of a legal opinion that Governor DeWine acted illegally and if so, can you provide me with a copy of the opinion and the name of the attorney who wrote it? If ORTA does not have such a legal opinion, does the statement merely reflect Robin Rayfield's opinion? The legality or illegality of Mr. DeWine's attempt to overturn the results of an election is a statement made after a careful reading of the laws governing the appointment of a STRS board member. The law states that the member serves a term, not at the pleasure of the governor. In fact, this is an opinion supported by legal experts. Oddly enough, Mr. DeWine must follow the law as an ordinary citizen.

I asked earlier in this correspondence that you identify the corruption ORTA has alleged; now, please identify

the "connection" that exists between the alleged STRS corruption and the corruption for which Mr. Householder was indicted and convicted. The corruption issue answer was addressed above. The connection to corruption

question seems to be attempting to conflate separate issues:

Corruption examples include (as described above) lack of transparency, payment of unearned bonuses, refusal of board members attempts to conduct fiduciary oversight, etc. and so on.

Wade Steen's removal is also a potential source of corruption. Mr. Steen was removed at the time the status quo board members lost the majority to reform-minded trustees. Did the STRS staff request Mr. Steen's removal? How did the governor receive inaccurate information about Mr. Steen's attendance? What was the urgency to remove Mr. Steen? Why did Mr. Steen receive multiple answers to his request for the reasons behind his replacement?

What is the connection to Mr. Householder and his legal problems? It seems that STRS and 1st Energy both use a specific lobbyist that attempts to influence the governor. The question about connections is legitimate.

I will close this lengthy response and ask a couple of rhetorical questions of my own.

1. Bill, how much communication do you have with Bill Neville and STRS? It appears you are acting as a shill for STRS management. Further, you have tried, unsuccessfully, to distract STRS members from the real problems at STRS such as using contrived benchmarks to pay bonuses for losing \$5 billion in one year.
2. Why would the OEA be 'in bed' with STRS management? It is no wonder that OEA candidates are losing election after election. No amount of campaign money can convince active teachers that are: paying more, working longer, and receiving less is a message that people will rally towards. No amount of campaign money can convince retirees that the promises made by STRS were not real promises. No amount of campaign money can convince any STRS member that reform is not

necessary. OEA used to stand up for teachers, no matter how hard the battle ahead would be. Has the hundreds of millions of dollars that flow into OEA changed their mission?

Robin Rayfield
Executive Director ORTA