

Dear Mr. DeMarco,

As you know, Auditor of State Keith Faber issued a report late in December detailing his office's Special Investigations Unit's conclusions following its special audit of STRS.

I think you would agree that the decision to audit STRS was, for the most part, a result of Ted Siedle's findings in *The High Cost of Secrecy* which he published following his "forensic audit" of STRS. ORTA funded Mr. Siedle's work with voluntary contributions from members and supportive organizations. Another factor contributing to the Auditor's decision to examine STRS was the numerous calls made to his office by teachers about findings in Mr. Siedle's report. I imagine many who called were encouraged directly by ORTA to do so, while others acted on their own after reading online comments by ORTA/The Watchdogs/The Members Only Facebook group or hearing news of the report through other media outlets.

Notwithstanding the Auditor's findings, ORTA and its partners continue to relentlessly attack STRS staff and board members excluding, of course, the "reform" board members.

I would appreciate ORTA's response to the following:

1, On page 61 of Faber's report, Appendix D, "Engagement Timeline," it is stated, "Meeting with Seth Metcalf and ORTA representative." The meeting took place on September 13, 2022. I'm not certain why the name of the "ORTA representative" who accompanied Mr. Metcalf was not published. I called the Auditor's Office and learned that the representative was Michael Dittoe. It appears the Mr. Dittoe is employed by High Bridge Consulting.

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?

2. Seth Metcalf, Ohio's Deputy Treasurer under Josh Mandel, is a partner in QED Management along with Jonathan Tremmel. In the recent past, ORTA and a minority of STRS board members, including Rudy Fichtenbaum and Wade Steen, supported a controversial QED investment strategy proposed for STRS. For a number of reasons, the plan has been severely criticized by knowledgeable individuals within and outside of STRS. Slightly over a year ago, John Damschroder, now with the Toledo Blade, wrote an editorial about the investment scheme entitled *"Time for the full truth from ORTA."* Damschroder wrote, "...Fichtenbaum, ORTA and the Ohio teachers who support them can't claim the high ground when they have materially misrepresented this proposal from day one." The author closed by stating, "Last week I asked Fichtenbaum and ORTA for comment on this critical assessment and on their continuing involvement with QED...So far neither has responded." I have attached a copy of Mr. Damschroder's column which, ironically, given ORTA's demands for STRS

transparency, includes Damschroder's opinion that, "The value in the Fichtenbaum-ORTA proposal is **secrecy**." (Emphasis added.)

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?

3. In numerous instances, the Auditor's report labeled allegations made by ORTA and/or Mr. Siedle's company (BFS) as "simply incorrect," or as having "no support." For example, item #4 on page 15 of the report states, "In a September 2022 meeting between the AOS and ORTA (perhaps the Metcalf/Dittoe meeting), it was alleged that, a. STRS used unapproved, lower PE five-year benchmarks for fiscal years ended June 30, 2012 through 2020. These understatements improperly allowed investment staff to earn their PE bonuses. b. STRS never properly approved using actual results as the one-year PE or alternatives investment benchmark. c. STRS backdated the SIOP so it would appear to support these improper benchmarks." Upon completing an investigation of these allegations, the AOS concluded, "There is no support for these allegations."

Allegation 9 in the report addresses the COLA reduction , an issue Siedle labeled "most objectionable" and one that ORTA constantly claims is a promised-for-life benefit, regardless of the financial circumstances of the retirement system and one over which the now ORTA President-elect filed a lawsuit in federal court, then in Franklin County after the federal suit was thrown out by Judge Timothy Black. The AOS concluded that , "The STRS Board used their statutory authority to determine when and if to pay COLAs."

These are but two examples among many where the AOS found allegations against STRS to be untrue or inaccurate, and in some cases only partially true.

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?

4. One topic listed on a recent ORTA work session paper was, "Ted Siedle webinar/Conference."

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?

5. The website Save Ohio STRS is registered with the Secretary of State as an LLC and a for profit corporation. The site's organizer(s) used Registered Agents, Inc., of North Canton to process both filings, making it impossible to identify them and their

organizational affiliation, if any. I have raised questions with the Secretary of State's office about Save Ohio STRS's solicitation of contributions for its (and ORTA's) endorsed candidate. I also contacted Mr. Davidson about the endorsement; he stated that he was not involved in or affiliated with that website and that he was receiving no funds from the website. Unless I'm mistaken, the site was initially totally anonymous, i.e., no named contacts, no address, no phone numbers, etc., much like the now expired "Fix My Pension" site on the internet prior to the last STRS election. Later, a lengthy statement by Tom Curtis, a retired Plain Local (Stark County) teacher, appeared on the site. I was unable to find an active phone number for Mr. Curtis online, but I did visit his Facebook page. I was somewhat surprised by the names of people appearing among his list of "Friends," including Robin Rayfield, Dean Dennis, Ted Siedle, and STRS Board members Julie Sellers, Rudy Fichtenbaum and Steve Foreman.

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?

6. In an ORTA News Alert dated May 8, the author accused STRS of engaging in "fund mismanagement and corruption." Corruption is typically defined as illegal, fraudulent or dishonest behavior. After an exhaustive Special Audit, the AOS concluded that there was no evidence of fraud, illegal acts, or data manipulation at STRS.

Please list the specific incidents of corruption of which STRS is accused in the May 8 ORTA News Alert.

7. I have questions about three statements appearing in the ORTA Liaison Update of May 17.

The first is the inclusion in the first paragraph of the Ohio Federation of Teachers as one of ORTA's "partners."

Please explain the nature of ORTA's partnership with the Ohio Federation of Teachers.

Next, Mr. Rayfield writes under "a." in section 1 that "Mr. DeWine's move (to replace Mr. Steen) is illegal." Not even Mr. Steen's attorney, in his letter to the AG's office, goes so far as to say the removal is illegal.

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?

Finally, Rayfield writes in paragraph "b." that, "The trail of corruption connects Householder, DeWine and STRS."

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.

Given ORTA's demand for STRS transparency, I look forward to nothing less than the same in your concise and factual responses to the questions above.

Thank you.

Bill Siegfert
2nd VP, Legislative Chair
Summit County Retired Teachers Association