



MARTHA COAKLEY
ATTORNEY GENERAL

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200
www.mass.gov/ago

February 24, 2014

Janice Loux, Chair
Massachusetts Bay Transportation Authority Retirement Fund
One Washington Mall
Boston, MA 02108

RE: Adoption of New Transparency and Ethical Standards at the Massachusetts Bay Transportation Authority Retirement Fund Board

Dear Chairwoman Loux and Members of the Board:

I write to you today to urge you as members of the Board of the Massachusetts Bay Transportation Authority Retirement Fund ("the Board") to act expeditiously to increase transparency in the Board's operations by adopting meaningful standards pertaining to conflicts of interest, financial disclosures, and public records.

We feel strongly that taking action to increase transparency is in the best interest of current and retired MBTA employees, as well as the public. Disconcerting reports of losses of a \$25 million investment by the Fund have been compounded by the failure to disclose the loss in a timely manner and revelations of insufficient safeguards to protect against conflicts of interest. You have the opportunity to help ensure that similar issues are avoided in the future.

There is a strong public interest in the Board taking action to increase transparency because a significant portion of the MBTA's overall revenues come from fares paid by transit riders, dedicated sales tax revenues, and assessments on cities and towns within the MBTA service area.

Accordingly, we urge the Board to adopt ethical standards that align with chapter 268A, including a cooling-off period for former employees, as well as greater disclosures of employees' and former employees' financial interests.

The Secretary of State also has recently ruled that the Board is not currently subject to state public records law. While this cannot be applied retroactively, we also believe the Board should now amend the agreement governing the retirement fund to subject itself to the kinds of public records disclosure laws that apply to PRIM, for example.



We believe that increased transparency and protections against conflict of interest are beneficial to the T employees and the public, and hope the Board will move quickly to adopt these reforms. If not, our Office is continuing to consider other options available, including legislation, to put these important public protections in place.

Please do not hesitate to contact our office if we may be of assistance to the Board.

Cordially,

A handwritten signature in cursive script that reads "Martha Coakley".

Martha Coakley
Massachusetts Attorney General

cc: Michael H. Mulhern, Executive Director
Jonathan R. Davis, Member
James M. Evers, Member
James M. O'Brien, Member
James M. O'Connell, Member
Darnell L. Williams, Member
Katherine A. Hesse, Honorary Member