

**Report of the  
PUBLIC EMPLOYEE RETIREMENT  
ADMINISTRATION COMMISSION  
on the Examination of Certain Expenses  
of the Pittsfield Retirement Board  
For the Three Year Period  
January 1, 1996 – December 31, 1998**

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April 3, 2003

The Public Employee Retirement Administration Commission conducted a regularly scheduled examination of the Pittsfield Retirement System pursuant to G.L. c. 32, §21 beginning in February 2000. The audit covered the period from January 1, 1996 to December 31, 1998. The audit report, issued on March 26, 2001, contained one outstanding issue relating to certain travel-related expenses. This report lists the results of that outstanding matter and concludes the triennial audit of the Pittsfield Retirement System.

Sincerely,

Joseph E. Connarton  
Executive Director

## **Pittsfield Retirement Board**

**FOR THE THREE YEAR PERIOD ENDING December 31, 1998**

### **The Pittsfield Retirement Board**

The plan is a contributory defined benefit plan covering all Pittsfield Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teacher's Retirement Board administers the pension of such school department employees.

Instituted in 1937, the System is a Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory upon commencement of employment for all permanent, full-time employees.

### **Travel Regulations:**

On March 7, 2002 PERAC issued Memorandum #15/2002, "Guidelines for Retirement Board Travel Supplemental Regulations" and directed Boards to adopt supplemental regulations consistent with the guidelines. On April 18, 2002 the Pittsfield Retirement Board submitted Supplemental Travel Regulations for review and approval. On May 31, 2002 the Board was advised that its proposed regulations were inconsistent with the guidelines in several respects. The Board submitted amended regulations on July 21, 2002. On October 7, 2002 the Board's amended regulations were approved.

## **Pittsfield Retirement Board**

### **EXPLANATION OF FINDINGS AND RECOMMENDATIONS**

#### **FOR THE THREE YEAR PERIOD ENDING DECEMBER 31, 1998**

##### **Travel:**

During the audit, PERAC auditors discovered a letter from the Board Chairman to one of the Board's fund managers. The letter contained references to a trip taken by the Chairman, which may have been financed by a third party investment broker. The auditors also discovered various receipts submitted to the Board for reimbursement which substantiated the Chairman's participation in the trip. The trip, as it was described to us, was in violation of 840 CMR 17.03(d).

During a subsequent interview with the Chairman regarding the trip, he explained that it included several other Massachusetts Retirement Board members, whom he went on to name. Boards on which the named members serve were then contacted and a review of certain expenditures was conducted for the six-year period January 1, 1995 through December 31, 2000.

The Chairman resigned from the Board on January 26, 2001. This audit was referred to the Attorney General's Office on April 20, 2001.

##### **Recommendation:**

The Pittsfield Retirement Board should continue to review its Supplemental Travel Regulations and move to adopt supplemental regulations consistent with the guidelines issued by PERAC.

##### **Board Response:**

The Pittsfield Retirement Board has submitted amended travel regulations, which were approved by PERAC as of October 7, 2002. We are aware of the sensitive nature of this issue and will hold ourselves to the letter of the new regulations.