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## Indiana teachers' union hopes to unload debt as agencies investigate

INDIANAPOLIS (AP) — Indiana's largest teachers union is working to untangle its insurance trust from millions of dollars in liabilities while the state and the FBI investigate whether fund managers did something more than make risky investments.

The Indiana State Teachers Association's insurance trust has a net worth of negative \$67 million, according to the state Department of Insurance. The department found that some of the trust's investments had "disturbingly low liquidity" and that too much was put in private investments that are not publicly traded.

The FBI is investigating the trust, according to a person familiar with the case who spoke on condition of anonymity because he was not authorized to discuss the investigation. State regulators referred the matter to state and federal investigators after they found several red flags, including an increase in fees when the fund was not performing well and an unusually high number of transactions, the person said.

ISTA Deputy Director Dan Clark confirmed that there have been allegations of "inappropriate fees and inappropriate trading as well as inappropriate investments."

The FBI said it was aware of the situation with ISTA — a powerful lobbying force in the Statehouse representing about 50,000 teachers and other members — but could not confirm or deny that it was investigating. The Indiana Secretary of State's office is taking a similar stance.

Clark said the Secretary of State's office issued subpoenas for two former ISTA employees who made decisions about the insurance trust. ISTA Executive Director Warren Williams, who had planned to retire at the end of the year, announced Thursday that his retirement would begin immediately. The trust's director, Robert Frankel, resigned earlier this month. The reasons for their departures are unclear.

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