

John Mays Police Pensioner Trustee



John Mays was elected as the Police Pensioner Trustee on the Board of Trustees effective June 2001. He is a member of the Investment Advisory Committee.

Prior to his current Board position, Mr. Mays served as an employee-elected member of the Board of Trustees for almost 20 years (1981-2000) and has served on various committees. He retired from the Dallas Police Department in 2000 with over 35 years of service, holding the rank of Sergeant.

Sgt. Mays is an active member of the Texas Association of Public Employee Retirement Systems (TEXPERS), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Association of Police Officers (NAPO). He is past Editor of the Dallas Police Association News and has been a pension conference speaker. He attended Sam Houston University and Bishop College.

Trustees-DPFP



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Fire-Rescue Dept.



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John Mays
Police Pensioner



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Mayor - Laura Miller

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Photo by Gittings

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[Mayor Laura Miller's biography](#)

Duties of the Mayor

Office Location:

Dallas City Hall
1500 Marilla Street, Room 5EN
Dallas, TX 75201-6390

Main Phone: (214) 670-4054
Fax: (214) 670-0646

Staff Contacts:

Chief of Staff
Crayton Webb
(214) 670-0773

Public Information Officer
Vacant
(214) 670-0656

Executive Assistant
Kenneth Furlough
(214) 670-7978

Scheduler
Glenda Aguirre
(214) 670-3301

Secretary
Maggie Reyes
(214) 670-4054

Intern
Diahann Doyen
(214) 670-7894



CFOpros

14445 Webb Chapel
Dallas, Texas 75234
972-931-0173
972-931-0176 fax
cfopros.com

May 14, 2002

Mr. Kenneth Furlough
Executive Assistant

Dallas City Hall
1500 Marilla Street
Dallas, Texas 75201-6390

Dear Mr. Furlough:

Pursuant to our discussion, I am requesting a meeting with the Honorable Mayor Laura Miller for the purpose of discussing matters that have recently come to my attention as a result of a fraud investigation involving a unit of government within the City of Dallas. As discussed, I remain unsure if this particular unit of government falls within the Mayor's domain. Accordingly, I am also requesting that an attorney from the City of Dallas Attorney's Office be available during our meeting to clarify this and other issues that may occur.

I appreciate your assistance and look forward to hearing from you at your earliest convenience.

Respectfully,



Columbus A. Alexander, III, CPA
Certified Fraud Examiner
(214) 514-2272

May 17, 2002

Mr. Richard Tettamant
Administrator
Dallas Police & Fire Pension System
2301 North Akard Street, Suite 200
Dallas, Texas 75201

RE: Fraud Examination - Interim Report

Dear Mr. Tettamant:

The purpose of this document is to provide an interim report of issues and concerns noted during our fraud examination of the Dallas Police & Fire Pension System (the System). This report and its contents are intended solely for use by the System's Management and its Board of Trustees. This report and its contents are not intended for general circulation or publication, nor should it be reproduced for any purpose other than as outlined above. We do not assume any responsibility or liability for losses occasioned to one or others as a result of the circulation, publication, reproduction or use of our report contrary to the conditions of this paragraph. The validity of our report is predicated on the extent to which full, honest and complete disclosure was made by all parties.

Fraud Examination

We were retained to perform a fraud examination concerning the possible conversion and illegal use of the System's assets. In conducting our investigation, we employed the use of lawful fraud examination techniques, to include the inspection of books and records, voluntary interviews of appropriate personnel, and other such evidence gathering procedures as necessary under the circumstances.

Allegations Regarding Ms. Anderson

During our investigation, we found sufficient evidence to support the conclusion that Ms. Tara D. Anderson illegally converted System assets. As a result of our recently negotiated Agreement between the System and Ms. Anderson, she has agreed to voluntarily plead guilty to theft, and to provide her full cooperation in our ongoing investigation.

Separately, during preliminary discussions with Ms. Anderson and her attorney, Marcus Norman, Ms. Anderson stated that she committed her illegal acts in concert with two (2) other System employees. Ms. Anderson also stated that others were aware of her illegal activities, and that as many as three (3) additional System employees may have constructively participated with her in defrauding the System. Accordingly, we recommend that no fewer than two (2) interviews be conducted with Ms. Anderson at this time for the purpose of determining the nature and content of her allegations as well as the potential value of her information.

Accounts Payable

Since January 1, 2000, the System has issued over 2,350 checks totaling more than 7.3 million dollars through its accounts payable function. During our examination, we determined that the System's accounts payable check register contained numerous errors, incomplete postings, and a wealth of omissions. We also determined that a substantial number of payments made through accounts payable lacked proper authorized or documentation to support the disbursement.

Based upon illegal activities confirmed within accounts payable and allegations regarding collusion, we recommend that additional procedures be employed to include a review of vendor contracts and the use of third-party confirmations. Further, in view of the inherent weaknesses in the System's internal accounting controls, we recommend broadening our examination of the System's accounting practices to include cash receipts.

Documents & Records

It was recently determined that documents and records previously archived and believed stored at a secure offsite location, are now missing. Specifically, it appears that a substantial number of accounts payable documents (to include cancelled checks for 1999), have been stolen or destroyed. Based upon illegal activities confirmed, as well as allegations regarding collusion, we recommend that an immediate audit of the System's offsite storage facility be conducted for the purpose of determining the full range and scope of document destruction and/or theft.

Ethics and Other Issues

During our engagement, we determined that members of the System's management team were systematically procuring the personal and confidential bank records of other System employees without the use of a subpoena and without the employee's expressed written consent. On May 1, 2001, we met with the System's outside legal counsel for the purpose of discussing this and other legal matters. While we understand that this practice has now been discontinued, it does not appear that the matter was reported to the proper authorities nor does it appear that the System employees responsible for the authorization and seemingly illegal procurement of confidential bank records have been reprimanded or otherwise disciplined.

In addition, we were previously instructed by a senior member of the System's management team to restrict our reporting to matters specifically related to the allegations regarding Ms. Anderson, and that other matters noted during our investigation be reported separately and to the exclusion of the System's Board of Trustees. In the interest of full and complete disclosure, we previously recommended that the Board of Trustees establish a management oversight committee, and that we be allowed access to members of the Board's committee as needed during the course of our investigation. Respectfully, we again repeat this recommendation.

Sincerely,

Columbus A. Alexander, III, CPA
Certified Fraud Examiner

cc: Board of Trustees

Board of Trustees

Lt. Gerald Brown

Chairman, Board of Trustees

Dallas Police & Fire Pension System
2301 North Akard Street, Suite 200
Dallas, Texas 75201

Sgt. Steve Shaw

Vice Chairman, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas Police Department
Northeast Operations Division
9915 E. Northwest Highway
Dallas, Texas 75238

Mr. Gary Edge

Deputy Vice Chairman, Board of Trustees
Dallas Police & Fire Pension System
2301 North Akard Street, Suite 200
Dallas, Texas 75201

Sgt. Rector C. McCollum

Member, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas Police Department
Northeast Operations Division
9915 E. Northwest Highway
Dallas, Texas 75238

Captain George Tomasovic

Member, Board of Trustees
Dallas Police & Fire Pension System
2301 North Akard Street, Suite 200
Dallas, Texas 75201

Sgt. Steven H. Umlor

Member, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas Police Department
Southeast Operations Division
725 N. Jim Miller Road
Dallas, Texas 75217

Mr. John Mays

Member, Board of Trustees

Dallas Police & Fire Pension System
P.O. Box 251
Kaufman, Texas 75142

Mr. Richard Wachsman

Member, Board of Trustees
Dallas Police & Fire Pension System
3172 Timberview
Dallas, Texas 75229

Mr. Leo V. Chaney, Jr.

Member, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas City Hall
1500 Marilla Street, Room 5FN
Dallas, Texas 75201-6390

Mayor Pro Tem Donald W. Hill

Member, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas City Hall
1500 Marilla Street, Room 5EN
Dallas, Texas 75201-6390

Dr. Maxine Thornton-Reese

Member, Board of Trustees
Dallas Police & Fire Pension System
c/o Dallas City Hall
1500 Marilla Street, Room 5FN
Dallas, Texas 75201-6390

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lt. Gerald Brown
 Dallas Police & Fire Pension System
 2301 N. Akard Street, Suite 200
 Dallas, Texas 75201

2. Article Number

(Transfer from service label)

7002 0510 0002 8553 5708

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Euca Douglas* Agent Addressee

B. Received by (Printed Name)

E Douglas

C. Date of Delivery

*5-20*D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. John Mays
 P.O. Box 251
 Kaufman, Texas 75142

2. Article Number

(Transfer from service label)

7002 0510 0002 8553 5678

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *John M. Mays* Agent Addressee

B. Received by (Printed Name)

JOHN M. MAYS

C. Date of Delivery

*5/21/02*D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <i>x Euca Douglas</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:	B. Received by (<i>Printed Name</i>) <i>E Douglas</i>	C. Date of Delivery <i>MAY 20 2002</i>
Captain George Tomasovic Dallas Police & Fire Pension System 2301 N. Akard Street, Suite 200 Dallas, Texas 75201	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number <input type="checkbox"/> (Transfer from service label)	4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
PS Form 3811, August 2001	7002 0510 0002 8553 5722	Domestic Return Receipt
		102595-02-M-0835

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <i>x Kerry J</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:	B. Received by (<i>Printed Name</i>)	C. Date of Delivery <i>05-20-02</i>
Mr. Leo V. Chaney, Jr. Dallas City Hall 1500 Marilla Street, Room 5FN Dallas, Texas 75201	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number <input type="checkbox"/> (Transfer from service label)	4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
PS Form 3811, August 2001	7002 0510 0002 8553 5661	Domestic Return Receipt
		102595-02-M-0835

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Sgt. Steve Shaw Dallas Police Department 9915 E. Northwest Highway Dallas, Texas 75238</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Taken from service label)</p>	<p>7002 0510 0002 8553 6088</p>
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Sgt. Rector C. McCollum Dallas Police Department 9915 E. Northwest Highway Dallas, Texas 75238</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Taken from service label)</p>	<p>7002 0510 0002 8553 6095</p>
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835</p>	

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- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sgt. Steven H. Umlor
 Dallas Police Department
 725 N. Jim Miller Road
 Dallas, Texas 75217

2. Article Number
(Transfer from service label)

7002 0510 0002 8553 6071

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

COMPLETE THIS SECTION ON DELIVERYA. Signature
X *Steven Umlor* Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: No3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.4. Restricted Delivery? (Extra Fee) Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Gary Edge
 Dallas Police & Fire Pension System
 2301 N. Akard Street, Suite 200
 Dallas, Texas 75201

2. Article Number
(Transfer from service label)

7002 0510 0002 8553 5685

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

COMPLETE THIS SECTION ON DELIVERYA. Signature
X *Erica Douglas* Agent
 AddresseeB. Received by (Printed Name) C. Date of Delivery
E Douglas *5-20*D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
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<p>1. Article Addressed to:</p> <p>Dr. Maxine Thorton-Reese Dallas City Hall 1500 Marilla Street, Room 5FN Dallas, Texas 75201</p>	<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery 05-20-02</p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
	<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from service label)</p>	<p>7002 0510 0002 8553 5715</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835</p>		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>x Marilyn Wachsman</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Mr. Richard Wachsman 3172 Timberview Dallas, Texas 75229</p>	<p>B. Received by (Printed Name) MAY 22 2002</p>	<p>C. Date of Delivery MAY 22 2002</p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
	<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from service label)</p>	<p>7002 0510 0002 8553 5647</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835</p>		

Metropolitan

The Dallas Morning News
DallasNews.com

Wednesday, May 22, 2002
II Page 31A

Audit: \$20,000 missing

Police-fire pension
board fires examiner,
disputes some assertions

By **DAVE MICHAELS**
Staff Writer

An employee of Dallas' police and fire pension system embezzled nearly \$20,000 from its operating budget, and the fund has lost a significant number of its records to theft or shredding, according to an audit obtained by *The Dallas Morning News*.

The pension system's board of trustees said Tuesday that the employee has been terminated. The audit says she agreed to plead guilty to theft charges.

The woman is not being named because she has not been arrested or charged with a crime.

The suspect's attorney, Marcus Norman of Dallas, declined to comment about the case. He confirmed that his client was terminated but has not been arrested.

She was cashing checks from the pension system's petty-cash account and buying personal items

See **AUDITOR** Page 35A

Auditor: \$20,000 stolen from fund

Continued from Page 31A

with pension system funds, trustees said.

The money was stolen over the course of a year and a half or two years, said Steven Shaw, a Dallas police sergeant who is the vice chairman of the board. "Most of it happened in the several months prior to us detecting it. It seemed to escalate as they [police] got nearer to her detection and apprehension."

The pension fund has about \$1.9 billion in assets, officials said, so the loss was not expected to affect any pensioners.

Sgt. Shaw said the case is being investigated by the Police Department's general assignments section, which handles white-collar crime.

Pension system administrators noticed the fraudulent checks in March and immediately referred the case to the Police Department, they said. They also hired an outside auditor, the forensic accounting firm CFOpros, to inspect the overall security of their system.

The auditor, Columbus Alexander III, wrote in his report that the pension system is so riddled with accounting and record-keeping problems that the board should create a management oversight committee.

Mr. Alexander, whose report was received by trustees Monday, did not return a phone call Tuesday seeking comment.

Pension system trustees voted Tuesday to terminate Mr. Alexander's contract, saying he made wide-ranging allegations about fraud and abuse but declined to disclose evidence to support his conclusions.

Mr. Alexander wrote that a "senior member of the system's management team" discouraged him from extending his audit beyond

the allegations about employee theft. Mr. Alexander also wrote that the senior manager urged him not to report other problems to trustees.

Mr. Alexander's report stated that the suspect said she had two accomplices and that several others "were aware of her illegal activities."

"Accordingly, we recommend that no fewer than two interviews be conducted with ... [the suspect] at this time for the purpose of determining the nature and content of her allegations," Mr. Alexander wrote.

Among the report's other findings:

- The system's accounts-payable rolls contained "numerous errors, incomplete postings and a wealth of omissions."

- Archived records about accounts payable that were stored at an off-site location are missing — possibly stolen or destroyed.

- Members of the system's management team were "systematically procuring" the personal bank records of employees.

Sgt. Shaw disputed many of those assertions. He said he does not know what the Police Department's investigation found.

Detectives were unavailable Tuesday for comment.

"We have absolutely no evidence that any other employee is involved in this," Sgt. Shaw said. "It is typical when someone is confronted with a criminal allegation that they try to blame other people."

Sgt. Shaw said the pension system has been reimbursed about \$9,000 of its losses by banks where the suspect cashed checks.

Trustees replaced Mr. Alexander with the accounting firm KPMG, which they hope will provide them with a new report within three weeks.

Dallas Police and Fire Pension System
Tuesday, May 28, 2002
2:00 p.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Special meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: **Gerald Brown**, Gary Edge, Councilmember Donald Hill, Rector C. McCollum, Steve Shaw, George Tomasovic, Steven Umlor, and Richard Wachsman

Absent: John Mays, Councilmember Maxine Thornton-Reese

Staff Richard Tettamant, Don Rohan, Brian Blake, Linda Stevenson, and Everard Davenport

Others Gary Lawson, Eric Calhoun, Leland C. Giannini, and William W. Rudolph

* * * * *

The meeting was called to order at 2:04 p.m.

* * * * *

A. DISCUSSION OF ITEM FOR INDIVIDUAL CONSIDERATION

Update on the examination of the System's financial process and internal controls

C. A. Alexander, of CFOpros, who had been engaged in an audit of the System's financial processes and internal controls, was invited to attend the meeting and discuss his findings with the Board. Mr. Alexander did not attend the meeting.

In accordance with the terms of Sections 551.071, Texas Government Code, the Board went into a closed executive legal session at 2:04 p.m.

The meeting was reopened at 4:15 p.m.

The meeting was recessed at 4:16 p.m.

**Special Board Meeting
Tuesday, May 28, 2002**

* * * * *

The meeting was reconvened on Wednesday, **May 29, 2002** at 8:39 a.m.

* * * * *

A. DISCUSSION OF ITEM FOR INDIVIDUAL CONSIDERATION (continued)

Update on the examination of the System's financial process and internal controls (continued)

After discussion, Mr. Shaw made a motion to open the locked trunk, which belonged to C. A. Alexander, of CFOpros, and was believed to contain Pension System property. Mr. Edge seconded the motion, which was unanimously approved by the Board.

The trunk was opened under the observation of the System's legal counsel (Lawson, Fields, McCue, Lee & Campbell, P.C.) and Leland Giannini, of KPMG, LLP, the System's financial processes examiner. The contents were turned over to Mr. Giannini for inventory.

In accordance with the terms of Sections 551.071, Texas Government Code, the Board went into a **closed executive legal session at 8:50 a.m.**

The meeting was **reopened at 9:56 a.m.**

No motion was made.

* * * * *

B. BRIEFING ITEM

Administrator's report

No report was given.

* * * * *

**Special Board Meeting
Tuesday, May 28, 2002**

Mr. Tettamant stated that there was no further business to come before the Board. On a motion by Mr. Edge and a second by Mr. Shaw, the meeting was adjourned at 9:56 a.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary

Sandy Alexander

From: "Sandy Alexander" <alexander@cfopros.com>
To: "Linda Stevenson" <l.stevenson@dpfp.org>
Cc: "Richard Tettamant" <R.Tettamant@dpfp.org>; "Don Rohan" <d.rohan@dpfp.org>; "Everard Davenport" <E.Davenport@dpfp.org>
Sent: Friday, May 17, 2002 6:49 PM
Subject: Re: Appointment and Files

Ms. Stevenson:

Mr. Tettamant and I spoke last on Wednesday, May 8, 2002, at which time he stated that he would call me soon after the Board's meeting on Thursday, May 9, 2002, to discuss our next steps in the Anderson investigation. When no one contacted me by Monday, May 13, 2002, I called your office (as primary coordinator), and requested an update on events from the week before. As you may recall, you stated at that time that you were (*in your words*) "no longer in the loop" and that you would, instead, have Mr. Rohan call.

Mr. Rohan did call on Monday, May 13, 2002, at which time he stated that the next steps requested for approval in the Anderson investigation were on-hold for now. Mr. Rohan then requested that I prepare a written document for the benefit of Mr. Tettamant and the Board of Trustees, and indicated that I would be contacted after Richard and the Board had an opportunity to review. Pursuant to Don's request, I have since prepared an *Interim Report* and submitted via USPS Certified Mail, Return Receipt Requested.

As for my meeting with Mr. Tettamant, Don stated on Monday, May 13, 2002, that Carol keeps Richard's calendar. Mr. Rohan further stated she (*not you*) would be the one to contact if I wished to schedule a meeting with Richard. Please be advised that I requested a meeting with Richard, in part, because of my concern that you had been removed as primary coordinator, i.e., "no longer in the loop." If you have now returned to the loop, as your email would now indicate, then my reason for meeting with Mr. Tettamant no longer exists, and *I would certainly appreciate an update on events since May 8, 2002, at your earliest convenience.*

As for System files, *no one has requested the return of any documents prior to this date*, so the sense of urgency expressed in your letter certainly comes as a complete surprise. I will be out of the office on Monday, but in again on Tuesday, and will call you to determine a date/time of mutual convenience *as you suggested.*

Finally, our materials (to include "that trunk") were brought on-site with the System's understanding, and were left in the custody and care of the Dallas Police & Fire Pension System only for the time needed to complete our investigation. While it seems that there have been a lot of changes in the rules lately, LET THERE BE NO DOUBT: YOU DO NOT HAVE PERMISSION TO BREAK INTO OR OTHERWISE DAMAGE OUR PROPERTY.

Best regards,

Sandy

Columbus A. Alexander, III, CPA
 Certified Fraud Examiner
 Forensic & Investigative Services
 CFOpros
 14445 Webb Chapel
 Dallas, Texas 75234
 214 514-2272
alexander@cfopros.com
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----- Original Message -----

From: [Linda Stevenson](#)

To: [Sandy Alexander \(E-mail\)](#)

Cc: [Richard Tettamant](#) ; [Don Rohan](#) ; [Everard Davenport](#)

Sent: Friday, May 17, 2002 4:01 PM

Subject: Appointment and Files

Sandy,

Although you talked with Carol instead of me, I understand that you are not going to be able to keep your Monday appointment with Richard Tettamant. Richard will be back in the office next week. Please call him and schedule a meeting at a mutually convenient time. This needs to be handled as quickly as possible.

Many of our files are locked up in a trunk in the office you used, and you have the only key. Please call either Richard Tettamant or Don Rohan no later than Tuesday afternoon and let us know whether you wish to come by and open that trunk or you prefer we break the lock to retrieve our files.

Sincerely,
Linda

Linda N. Stevenson
Accounting Manager
Dallas Police & Fire Pension System
2301 N. Akard, Suite 200
Dallas, TX 75201
Phone: (214) 382-4403
Fax: (214) 638-6403
l.stevenson@dpfp.org



August 7, 2002

direct dial: 214/745.5462
tboston@winstead.com

VIA FACSIMILE – (972) 490-9545

Eric G. Calhoun, Esq.

Lawson, Fields, McCue, Lee & Campbell, P.C.

14135 Midway Road, Suite 250

Addison, TX 75001

Re: *Dallas Police and Fire Pension System v. Columbus A. Alexander, III a/k/a Sandy Alexander d/b/a CFOpros*; Cause No. 02-04814; In the 44th Judicial District Court of Dallas County, Texas

Dear Eric:

This letter is to memorialize our agreement. The Pension System and Mr. Alexander agree, and evidence same by their signatures below, to resolve this matter on the following terms:

1. The Pension System will pay Mr. Alexander's outstanding invoices and all of his expenses incurred by cashier's check payable to "CFOpros", with such funds to be delivered when Mr. Alexander delivers the documents in accordance with Paragraph 4 below, no later than August 9, 2002.

2. A dismissal with prejudice of the lawsuit, within 48 hours of the execution of this Agreement, with each party to bear its/his own expenses and with their execution of this letter constituting a complete mutual release of all claims, causes of action, known or unknown, contingent or fixed, at law or in equity between and among Mr. Alexander, CFOpros, its partners agents, affiliates, and other related persons or entities on the one hand, the Pension System, members of its board of trustees, staff and other related persons or entities on the other hand, under any theory of recovery, including without limitation release of any alleged defamation claims (including claims arising from any republication of the *Dallas Morning News* Article) and the publication of Exhibit "A" as set forth at Paragraph 4 below, and claims for attorneys fees, costs or expenses. The Pension System, its trustees, and employees agree not to call upon or contact Mr. Alexander, or use his services and knowledge, in any way in the future, and likewise Mr. Alexander will not call upon or contact the Pension System, its Trustees or employees.

3. The execution and mailing no later than August 12, 2002, of the attached (as Exhibit "A") letter by certified mail, return receipt requested, to the *Dallas Morning News* and the Association of Certified Fraud Examiners with the Pension System delivering green cards to Mr. Alexander's attorney, Talmage Boston.

Eric G. Calhoun, Esq.
August 7, 2002
Page 2

4. Mr. Alexander and his counsel shall return to the Pension System the originals (if any) and all copies of any and all documents and tape recordings (and any transcripts thereof) obtained during the course and scope of CFOpros' engagement with the Pension System.

5. Per the terms of his Consultant Contract with the Pension System of April 8, 2002, Mr. Alexander shall agree to maintain as confidential all information he obtained and all conclusions he derived from his work for the Pension System.

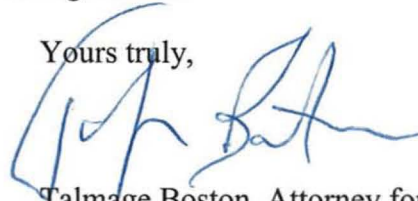
6. The Pension System shall comply with its prior agreement of May 29, 2002, (attached as Exhibit "B") no later than August 9, 2002.

7. The Pension System agrees that Alexander has completed his obligations under their contract and that its Administrator's report of such agreement will be recorded in the minutes of the next regularly scheduled Board meeting.

8. The parties agree that from this date forward, neither of them shall communicate anything to anyone publicly or privately to disparage or derogate each other or the performance of each other. In that regard, the Pension System shall publish the letter attached as Exhibit "A" on the Pension System's website, and include it as an attachment to the Pension System Board of Trustee's minutes as the Board's first meeting after the execution of the Settlement Agreement.

All parties should sign below to evidence our agreement.

Yours truly,



Talmage Boston, Attorney for CFOpros

PTB/cll


AGREED:




Eric G. Calhoun
Counsel for Dallas Police
and Fire Pension System

Eric G. Calhoun, Esq.
August 7, 2002
Page 3

Dallas Police and Fire Pension System

By: 
Its: Chairman, Bd of Trustees

CFOpros

By: 
Its: W. J. [unclear]


Columbus A. Alexander, III, CFE

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D A L L A S
POLICE & FIRE
PENSION SYSTEM



Richard L. Tettamant,
Administrator

Brian F. Blake,
Assistant Administrator

Donald C. Rohan,
Assistant Administrator

Board of Trustees

Gerald Brown, Chairman
Gary W. Edge
Donald W. Hill
John M. Mays
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George J. Tomasovic
Steven H. Umlor
Richard H. Wachsman

August 6, 2002

DALLAS MORNING NEWS
Metropolitan Section Editor
508 Young Street
Dallas, Texas 75202

Mr. Dave Michaels
DALLAS MORNING NEWS
508 Young Street
Dallas, Texas 75202

Mr. John Gill, J.D., CFE
General Counsel
Association of Certified Fraud Examiners
The Gregg Building
716 West Avenue
Austin, Texas 78701

Re: *Dallas Morning News* Dallas Police and Fire Pension System Audit Article of
May 22, 2002.

Dear Sirs:

On May 22, 2002, an article written by Mr. Michaels appeared in the Metropolitan Section of the *Dallas Morning News* regarding the Dallas Police and Fire Pension System (the "Pension System") audit, which, in turn, was posted on the website of the Association of Certified Fraud Examiners. A copy of both articles is attached to this letter. After reviewing the article, it has become clear that there were several potentially misleading statements and/or ambiguities in the information reported by Mr. Michaels which should now be corrected concerning CFOpros and its Certified Fraud Examiner, Mr. Columbus A. Alexander, III, who was hired by the Pension System.

In particular, the inaccuracies are as follows and should be corrected:

1. In your subheadline, it states "Police-Fire Pension Board Fires Examiner, Disputes Some Assertions". In fact, the Pension System did not "fire" Mr. Alexander; rather, his Contract terminated on May 8, 2002, per its terms, and at its Board of Trustees' meeting on May 9, 2002, the Pension System chose not to extend the Contract beyond its terms.

Dallas Morning News
Mr. Dave Michaels
August 8, 2002
Page 2

2. On the second page of the Article, in the next to last paragraph in the left column, the article reads that, "Pension System Trustees voted Tuesday to terminate Mr. Alexander's contract, saying he made wide-ranging allegations about fraud and abuse but declined to disclose evidence that supports his conclusions". Again, the Board of Trustees did not vote to terminate Mr. Alexander's Contract, but rather to not extend a contract that had already terminated by its own terms. In addition, the appropriate time for Mr. Alexander to provide all of the evidence supporting his interim conclusions had not yet arisen when the article was published.

The Pension System is hopeful that you will publish this letter soon to make sure the potentially misleading statements are corrected for the public record. The Pension System further hopes that the potentially misleading and/or ambiguous information reported by Mr. Michaels did not cause any harm to Mr. Alexander, CFOpros, its partners, and affiliates.

Respectfully Submitted,



Chairman of the Board of Trustees,
Dallas Police and Fire Pension System

TB:cll

cc: Columbus A. Alexander, III, CFE

THE FACE OF THIS DOCUMENT HAS A BLUE GRADUATING TINT (BLUE-WHITE-BLUE) BACKGROUND ON WHITE PAPER

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Dollars

RE: FOR CONFIDENTIAL SERVICES RENDERD***

Drawer: BANK ONE, NA

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