



May 5, 2009

## Detroit pension trustees travel globe as funds lose billions

Some trips were lavish, but full records not released

*BY JENNIFER DIXON AND TINA LAM  
FREE PRESS STAFF WRITERS*

Detroit's public pension trustees approved trips last year to more than 100 conferences around the globe, even as the city's two pension funds were losing billions.

And trustees weren't the only ones allowed to travel. The funds' executive secretary, assistant secretaries and one or two attorneys also were approved routinely for trips.

It's not clear how many of the 21 trustees, and their staffs, attended these conferences, or what they spent. The public pensions -- one for police and fire, the other for general city workers -- have yet to turn over most travel records sought by the Free Press last year under the state open-records law.

One pension lawyer said the funds destroy travel records after a year or two because of space limitations.

The newspaper was given some records for a recent conference in Dubai. They show that trustee Barbara-Rose Collins, also a city councilwoman, spent more than \$9,000 for a business-class seat on her flight alone.

- **\$20,000:** [Barbara-Rose Collins goes to Dubai](#)

Limited records from 2007 show then-trustee and current City Councilwoman Alberta Tinsley-Talabi was approved to spend four nights in a \$710-a-night New York hotel. It's unclear if she used the rooms; the pensions still were seeking her receipts earlier this year.

Political consultant Sam Riddle, former chief of staff to now-Council President Monica Conyers, traveled with Conyers when she was on the general retirement board, including meetings in Portugal, New York, Hawaii and Hong Kong.

"There's no better place than these exotic locales to cultivate a relationship," he said.

## Trustee trips often lack disclosure

Last fall, Barbara-Rose Collins, a trustee on Detroit's police and fire pension fund, decided she wanted to learn more about investing in the Middle East and North Africa.

So she plunked down \$6,840 to register for a pension conference in Dubai.

And she booked a business-class plane fare for \$9,238. By contrast, the Rev. Wendell Anthony, a trustee on the city's general retirement fund, flew to the same conference for just more than \$1,000.

Collins, also a city councilwoman, spent another \$485 with Royal Luxury Transport of Dubai, which offers chauffeured sedans and rental cars.

Collins said she opted for the driver because she wanted to see the city and she said unescorted women in Dubai, in the United Arab Emirates, risk being called whores or sluts, or having stones thrown at them.

In all, Collins spent more than \$20,000.

Although her tab represents a sliver of the funds' budgets, the Dubai conference offers a glimpse into the closely guarded, globe-trotting practices of Detroit's two public pensions, where trustees cross continents even as the world financial crisis -- and shaky investments -- have led to more than \$2 billion in losses for city workers since mid-2007.

The Free Press is suing the pension boards to obtain a broad range of travel documents under the state Freedom of Information Act. The pensions have attempted to charge thousands of dollars for many records, which the newspaper is disputing.

Other travel records have been denied to the Free Press; pension lawyers, citing a lack of storage space, say they destroy travel receipts as a matter of policy after closing the books on a given year.

The lack of disclosure makes it impossible to say how often trustees and staff travel. The funds' longtime attorney, Ronald Zajac, won't comment.

Collins concedes her airfare was costly, but blames the high fee on her chief of staff.

"I will just have to pay better attention -- not just get on an airplane and go," Collins said. "I agree that's a lot of money. I'm glad that I went business class, but I bet I could have found a cheaper fare if I had tried."

## Miami, Mumbai and more

According to meeting minutes, trustees for Detroit's two pensions, representing about 20,000 retirees, approved travel to more than 100 conferences around the world in 2008.

Trustees for the general retirement fund approved trips by 13 people to attend 84 conferences in cities such as London, Dubai, Singapore, Miami, Las Vegas, Key West, Ft. Lauderdale and Mumbai, India.

The police and fire fund approved trips for 15 people to attend about three dozen conferences in places like Palm Springs, Calif., New York City and Scottsdale, Ariz.

Geoffrey Hirt, a finance professor at DePaul University in Chicago, said it makes no sense for trustees, whose concern should be protecting retirees' assets, to approve so many conferences for so many people.

"People should be allocated a certain number of meetings a year, for budgetary reasons," Hirt said.

"Any time you spend a dollar on a meeting, that's not going into a rate of return," Hirt said. "The question becomes, how much should you spend to keep these people well-educated? They haven't been well-educated on corporate governance because they're not practicing good corporate governance."

The pension funds have been accused of excessive travel for at least 15 years.

In 2007, the Free Press reported that 13 trustees were planning to attend a conference in Hawaii, among them then-Mayor Kwame Kilpatrick and then-Police Chief Ella Bully-Cummings, making it the

second-largest contingent nationwide. The mayor and police chief eventually canceled.

## Details edited out

The Free Press obtained the Dubai records under the state open-records law, even as other travel records were denied.

Many details of Collins' \$2,931 stay at the Al Murooj Rotana, the conference hotel, were edited out by the police and fire fund, without explanation as the law requires.

In a phone interview Thursday, Collins said she rented a car and driver to have a male escort, at the hotel's recommendation, and covered some costs herself.

"Women don't walk the streets," she said.

Actually, though Dubai is Muslim, it has a large, cosmopolitan tourist population, with luxury shopping and a hedonistic club scene. Women commonly appear on city beaches in bikinis and wear Western garb in public.

Collins said she used the driver to take her out to eat and see the city. "I would have opted for a tour, but the concierge didn't recommend it because of my age," said Collins, 70.

Collins' chauffeur costs were separate from her trips between the airport and the hotel, which cost \$41 each way.

## The \$10,000 version

The Rev. Anthony, a trustee on the city's general retirement pension fund, made the trip with his wife, Monica Anthony. His Dubai trip cost \$10,622.

While Collins flew business class, Anthony and his wife flew economy. His flight cost \$1,070. The fund did not pay for his wife's ticket.

Anthony's hotel bill was \$2,742 and, like Collins', many details were edited out.

Anthony did not return repeated calls seeking comment.

## Failures to account

Only a trickle of travel documents has been made public by the pension funds.

In January, the funds released records showing that some trustees had failed to document advance payments for travel in 2007 and 2008.

The funds said former trustee Monica Conyers, now City Council president, had failed to account for thousands of dollars for hotel stays and airline travel.

Conyers disputed that, saying the pension funds had lost some receipts and she had repaid the rest.

Former trustee Alberta Tinsley-Talabi, a member of City Council, was cited for failing to submit receipts for four nights in a New York City hotel in late 2007, where her room rate was \$710, and for four nights in Las Vegas at \$544 a night. Her office said it was gathering receipts.

Daniel Cherrin, spokesman for Mayor Ken Cockrel Jr., who has representatives on each board, said pension travelers should "exercise common sense and good judgment when using taxpayer dollars."

## Retirees respond

Ed Wertz, a retired Detroit cop, called the trip to Dubai "absolutely ludicrous ... particularly at a time when the economy is the way it is."

The pension trustees "have a fiduciary responsibility to the retirees, not themselves," said Wertz, 64.

Dan Pauley, a retired Detroit police sergeant, said he does not support pension trustees "having a grandiose time" with retirees' money.

"Is it really necessary?"

## On the road again

Last week, Collins was on the road again, attending a conference in New Orleans, blocks from the French Quarter.

Collins said the New Orleans conference was "very intensive," and she came home with so much literature her baggage exceeded airline weight limits.

She could not say the same about Dubai.

The seminars were complex, with 60 speakers on arcane topics such as the growth in infrastructure investing, deal flow in the secondaries market and sovereign wealth funds.

The Dubai investment environment was so different, Collins took away little of value.

It was "not information that I would use," she said.

Contact **JENNIFER DIXON**: 248-351-2993 or [jb-dixon@freepress.com](mailto:jb-dixon@freepress.com)

## Phoenix in December

Detroit's two public pensions approved travel in 2008 to more than 100 conferences. It's unclear how much travel actually took place — the Free Press is still trying to obtain these records in court. What is known is that the boards' 21 trustees, their staffers and attorneys were cleared, sometimes en masse, to travel, including to Phoenix:

POLICE & FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT MINUTES  
MEETING NUMBER 2703 – THURSDAY – OCTOBER 16, 2008

26

### CONFERENCE

BY MR. BEST – SUPPORTED BY MR. PEGG

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary, General Counsel and Special Legal Counsel at the below-referenced conference, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary, General Counsel and Special Legal Counsel to attend said conference:\*

13<sup>TH</sup> ANNUAL SUPER BOWL OF INDEXING CONFERENCE  
PHOENIX, ARIZONA  
DECEMBER 6, 2008 – DECEMBER 11, 2008

Sources: Pension board records and Free Press research

F.S. FLUKER/Detroit Free Press