

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
DELINQUENT EMPLOYER COLLECTION COMMITTEE
MEETING OF MAY 31, 2017**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Delinquent Employer Collection Committee was held in the Legal Conference Room, located at 4101 MacCorkle Avenue, SE, Charleston, West Virginia, and was called to order at 1:29 p.m. by Chairman Michael Corsaro.

Roll call was taken.

Members present were:

Captain Michael Corsaro, Chairman
Jeff Waybright, *representing Auditor John B. McCuskey*
Diana Stout, *representing Treasurer John Perdue*
Mike McKown
Jeffrey Vallet

No members were absent.

A quorum was present.

Due notice had been published.

Also, present were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Candi Kinslow, CPRB Executive Assistant
Jeaneen Legato, Esquire, CPRB General Counsel
Caroline Brady, CPRB PERS Manager

Item #1: Introduction of Committee

Chairman Corsaro announced that this is a new committee, created by Chairman Wyant. He explained to the Members that the purpose of this committee is to find ways to collect all of the delinquent fees from the agency employers under all of the plans.

Chairman Corsaro announced we need to explore what our options are if employers do not pay their employer and employee contributions to the CPRB. He announced, this could potentially become a larger problem.

Chairman Corsaro informed the Committee that the Committee will look at the document that the CPRB's In-House Counsel, Jeaneen Legato has provided and we could possibly inform the Legislature for recovery of contributions.

Item # 2: Discussion of COMPASS Project

Chairman Corsaro announced that there was no intent to take any action during today's meeting, this first meeting is for discussion purposes only.

Ms. Legato, CPRB In-House Counsel informed the Committee that often, she sends a letter to the Auditor's Office, informing them of employer's being delinquent.

Ms. Stout asked if we can intercept monies through the Auditors Office from the delinquent employer's budgets.

Mr. McKown & Mr. Waybright informed the Committee that the Auditor's Office would have to receive a letter from the Board and then they could withhold funds.

Deputy Director Miller announced that the Statute requires the CPRB must wait 60 days before you can withhold the money due to CPRB, after they are delinquent 60 days, then the CPRB reports all delinquent employers to the Auditors Office.

Mr. Vallet announced that we need to administer penalties to agencies for being delinquent. He announced, our focal point should be to notify the Director's, Chief Financial Officer's and Board of Directors of the delinquencies.

Ms. Stout agreed with Mr. Vallet and announced that this would hold the agencies accountable and they could not blame anyone else.

Mr. Vallet announced that the CPRB should place a lien on all of the delinquent agencies to place us in line for the money owed to us.

Chairman Corsaro announced, we could also propose legislation, and have it in place to grant us due process.

Deputy Director Miller informed the Committee that she is in favor of notifying the participants of the delinquent agencies that their contributions are not being paid by their employer.

Executive Director Fleck informed the Committee that the CPRB currently has over 900 employers.

Ms. Legato, CPRB In-House Counsel announced to the Committee that the CPRB does not need another Green Acres situation, where an employer owes us \$600,000.00.

Deputy Director Miller agreed with Ms. Legato and informed the Committee that we had to put a settlement agreement into place with Green Acres, to collect the money they owe the CPRB.

Ms. Stout informed the CPRB staff that to add an "interest column" to the Delinquent list from now on for the Committee to review. Director Fleck said he would have staff add that column and have it for all of the future Committee Meeting.

Ms. Legato, CPRB In-House Counsel announced that the employee funds are public funds, which is a criminal violation for the employers to withhold and not to send those contributions to

the CPRB.

Chairman Corsaro asked the Committee if it would be beneficial to have language specific to the Retirement Board in the code. He stated that he thinks it would be.

Chairman Corsaro suggested the Committee could propose legislation that would be pertaining to the Retirement Board.

Mr. Vallet announced that the CPRB should place a lien against the Mingo County PSD and any other agency who owes the CPRB contributions.

Mr. Vallet announced that the interest rate of 7.5 % is too low to hold against the employers. He announced that the CPRB should estimate the percentage rate as high as we can, within the boundaries of what we can set it.

Ms. Stout suggested that the Committee should consider putting in place language that all delinquent employers will continue to accrue interest on the amounts they owe the CPRB until they are paid in full.

Deputy Director Miller asked Mr. Waybright if the Auditor's Office could possibly go out and audit these delinquent agencies who owe the CPRB money. Mr. Waybright announced that the Auditor's Office could audit those delinquent agencies and possibly clear up some of it for the CPRB.

Ms. Stout asked Deputy Director Miller to send a report to the Treasurer's Office of the delinquent agencies and she will run it against the Unclaimed Property and see if it shows anything to help the CPRB collect money. Deputy Director Miller said she would send Ms. Stout the report.

Chairman Corsaro directed Deputy Director Miller and staff to put together a list of possibilities on how to handle the delinquent accounts, and to create a list of ideas for the Committee to address so the Committee can discuss options and ideas at the next meeting.

Mr. Vallet suggested the Committee also look at ways that the CPRB could address the delinquencies internally; for example, placing a lien on the delinquent agencies. Ms. Legato, CPRB In-House Counsel informed the Committee that the CPRB would have to file a law suit and sue the delinquent agencies. She informed the Committee that the CPRB does not have the statute authority to do so.

Chairman Corsaro suggested that the CPRB could send the delinquent agencies a letter, and could cc the Prosecuting Attorney of the delinquent amounts due to the Retirement Board.

Deputy Director Miller asked the Committee how they felt about notifying the employees of their agencies not submitting their contributions to the CPRB. Mr. Vallet replied, we could inform the employees as a final step that we could take if the employer does not comply.

Chairman Corsaro reviewed with the Committee some of the things discussed so far:

- Possibly preparing legislation:
- Filing an automatic lien.

- Criminal Statute for them to pay. (Chapter 61)
- The penalty would need to be substantial for employee and employer contributions not being paid timely.
- Send a letter to payroll clerks.
- Send a letter to the employers' Board Members, Counsel, and others; and notifying the Prosecuting Attorney, if necessary.
- In-House Counsel to provide a legal letter to all delinquent employers.
- Send a letter to the Auditor's Office to withhold the delinquent money.
- Place a lien at 90 days from the date of the delinquency. (requires legislation)
- Increasing the amount the delinquent employers owe CPRB.
- Take the highest months of the last 36 months.

Chairman Corsaro reminded staff to prepare and have the new "interest column" added to the delinquent employer list for the next Committee Meeting. Deputy Director Miller informed the Chairman that she will have staff prepare it for the Committee.

Chairman Corsaro announced at the next Committee Meeting, we will put a plan together.

Item #3: Other Business

Chairman Corsaro asked if there was any other business to bring before the Committee. None was heard.

Mr. Vallet made a motion to adjourn the Delinquent Employer Collections Committee Meeting. Mr. McKown seconded the motion. The motion carried unanimously.

Chairman Corsaro adjourned the May 31, 2017 meeting of the Delinquent Employer Collections Committee at 3:52 p.m.

Respectfully submitted,



 Captain Michael Corsaro, Chairman



 Jeffrey E. Fleck, Executive Director