

Richard L. Tettamant,
Administrator

Brian F. Blake,
Assistant Administrator

Donald C. Rohan,
Assistant Administrator



D A L L A S
POLICE & FIRE
PENSION SYSTEM



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Gary W. Edge
Donald W. Hill
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Maxine Thornton-Reese
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Steven H. Umlor
Richard H. Wachsman

January 28, 2003

Mr. Columbus A. Alexander III, CPA
P.O. Box 1260
Addison, Texas 75001-1260

**Re: Open Record Request
Dated December 22, 2002**

Dear Mr. Alexander:

On or about December 22, 2002, you forwarded the attached open records request to Mr. Teodoro J. Benevides, Dallas City Manager, requesting information regarding "the Dallas Police and Fire Pension System, its employees, and its Board of Trustees (collectively, the "Pension System"). The City of Dallas forwarded the request to the Pension System. The Pension System received your request on January 16, 2003.

Documents responsive to your request to the extent documents are available are attached. Other information responsive to your request is explained below:

1. The "employee theft" was identified on March 4, 2002.
2. The names and addresses of firms and individuals retained by the Pension System as requested in item #2 can be found in attachment #1.
3. The payments information requested in item #3 can be found in attachment #2.
4. Information responsive to item #4, to the extent the information is available, is provided in attachment #2. Information regarding reports (correspondence) from CFOpro is not provided as the information was originated by the requestor of this Open Records Act request and presumably available to the requestor. With one exception, information is not available for employee background investigations that were performed during the requested period. Pension System policy holds that reports on the employee background investigations are not retained in System files after the reason for the report is completed. One exception to this policy is a background check that was retained for an employee who was rejected for employment.

Mr. Columbus A. Alexander III

January 28 2003

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5. The report dated July 16, 2002, from KPMG, LLP, is attachment #3. Information regarding reports (correspondence) from CFOpros is not provided as the information was originated by the requestor of this Open Records Act request. Pension System policy holds that reports on the employee background investigations performed by Litigation Consultants are not retained in System files after the reason for the report is completed. One exception to this policy is a background check that was retained for an employee who was rejected for employment.

Sincerely,



Richard Tettamant
Administrator

Enclosures (3)

GL/dr

cc: Mr. Teodoro J. Benevides
Ms. Pam Mickens
Mr. Gary Lawson

**Dallas Police and Fire Pension
Firms/Individuals Retained by the Pension System
to Perform Internal Reviews/Evaluations, Employee Background Investigations,
Fraud Examinations, and/or Forensic Accounting
for the Period March 2002 through December 2002**

VENDOR NAME	ADDRESS
Litigation Consultants	8300 Douglas Ave., Suite 800 Dallas, TX 75225
C.A. Alexander, dba CFOpros	14445 Webb Chapel Dallas, TX 75234
KPMG, LLP	200 Crescent Court, Suite 300 Dallas, TX 75201-1885

Open Records Act Request dated 12/22/02
Attachment 1

Dallas Police & Fire Pension System
Payments for Internal Controls Reviews, Forensic Investigations, and Background Investigations
January 1, 2000 - December 31, 2002

Date	Check #	Amount	Vendor	Report Date/Received	Subject
02/12/01	2144	750.00	Litigation Consultants		Employee background check
03/09/01	2240	500.00	Litigation Consultants		Employee background check
03/15/01	2260	500.00	Litigation Consultants	3/8/2001	Employee background check
04/16/01	2344	500.00	Litigation Consultants		Employee background check
07/09/01	2563	500.00	Litigation Consultants		Employee background check
09/25/01	2843	500.00	Litigation Consultants		Employee background check
12/07/01	3113	500.00	Litigation Consultants		Employee background check
01/11/02	3237	500.00	Litigation Consultants		Employee background check
03/08/02	3496	675.00	Litigation Consultants		Employee background check
04/03/02	3573	1,000.00	Litigation Consultants		Employee background checks
04/23/02	3633	1,425.00	Litigation Consultants		Employee background checks
04/25/02	3651	10,362.17	CFOpros		Fraud investigation/ forensic accounting
05/03/02	3667	4,925.00	Litigation Consultants		Employee background checks
07/03/02	5062	500.00	Litigation Consultants		Employee background check
07/15/02	5096	500.00	Litigation Consultants		Employee background check
07/19/02	5133	500.00	Litigation Consultants		Employee background check
08/08/02	N/A	54,000.00	Lawson, Fields, McCue, Lee & Campbell, PC As Conduit to Pay Full		Fraud investigation/ forensic accounting
10/21/02	6187	21,780.00	KPMG, LLP	7/16/2002	Fraud investigation/ forensic accounting

Open Records Act Request dated 12/22/02
Attachment #2



200 Crescent Court
Suite 300
Dallas, TX 75201-1885

Telephone 214 840 2000
Fax 214 840 2297

**Privileged and Confidential
Attorney Work Product**

July 16, 2002

Gary B. Lawson, Esq.
Lawson, Fields, McCue, Lee & Campbell, P.C.
14135 Midway Road, Suite 250
Addison, Texas 75001

Ref: Dallas Police & Fire Pension System

Dear Mr. Lawson:

We were retained to review Dallas Police and Fire Pension System ("System") records following the discovery by the System of thefts by a former employee of the System ("Former Employee") and an unfinished review by a fraud examiner. We were instructed to investigate irregularities in the accounts payable, employee payroll, petty cash and pension benefits payroll systems to identify alleged misappropriation of System assets and to identify and investigate questionable and incomplete information.

KPMG, at your direction, performed a limited analysis. All work papers and documents that have been produced at our efforts are subject to the attorney-client privilege and are considered attorney work-product. They are for the use of you and the System. This analysis is not an audit, review, or a compilation of financial statements as these terms are understood and described in the standards promulgated by the American Institute of Certified Public Accountants (AICPA). Any findings, conclusions, or recommendations made in this report are limited to the procedures performed and the information received. It is possible that if additional procedures had been performed or if additional information had been received, findings, conclusions, and recommendations might be different.

Our findings are as follows:

PENSIONGOLD (PENSION BENEFIT/COMPUTER SOFTWARE)

No fraudulent or improper transactions were detected in the system from which benefit payments are made.



KPMG LLP KPMG LLP a U.S. limited liability partnership is
a member of KPMG International, a Swiss association

attachment #3



Gary B. Lawson, Esq.
Lawson, Fields, McCue, Lee & Campbell, P.C.
14135 Midway Road, Suite 250
Addison, Texas 75001

EMPLOYEE PAYROLL

No fraudulent or improper transactions were detected in the system from which employee paychecks are issued.

ACCOUNTS PAYABLE

We verified the internal findings by your Staff of \$18,844.82 in altered checks and unauthorized purchases impacting the Operating Accounts Payable system, all made by the Former Employee between February 20, 2001, and February 22, 2002. We did not find any indication of involvement or collusion by other employees or of any additional fraudulent transactions occurring since the termination of the Former Employee. We note that the System has recovered all of the \$9,077.10 that the Former Employee obtained by altering payees on System checks. We found no evidence that a material number of accounts payable documents were either stolen or destroyed.

PETTY CASH

We found \$339.09 in losses to the Petty Cash system arising from misappropriations by the Former Employee. We did not find any indication of involvement or collusion of other employees or of any additional misappropriations occurring since the termination of the Former Employee. The Petty Cash fund has been eliminated.

We have had meetings with System management to discuss steps that may be taken to strengthen internal controls so that the possibility of this type of fraudulent activity occurring in the future can be minimized. Management has responded positively to our recommendations and has implemented a number of changes.

Sincerely,

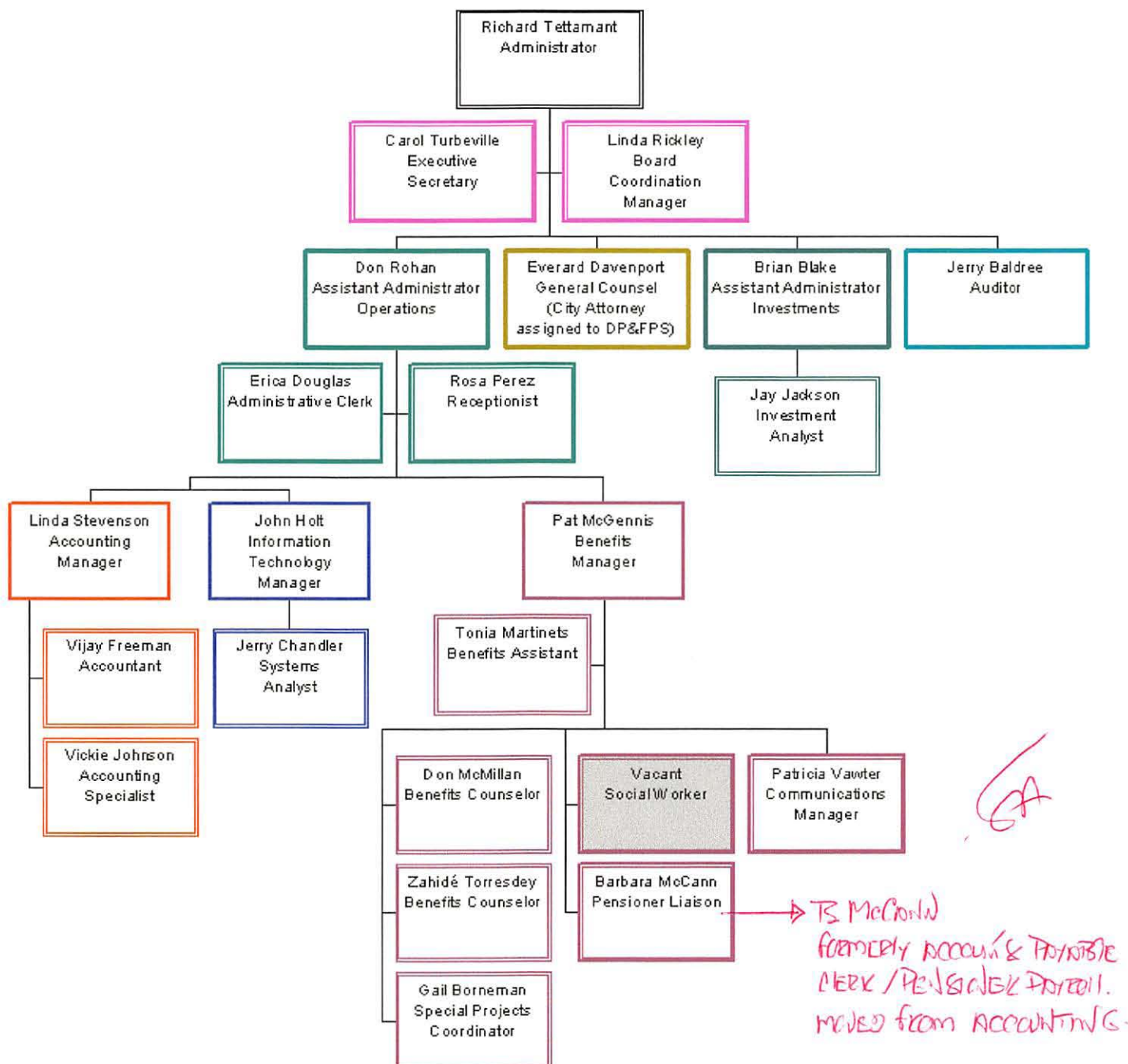
KPMG LLP

William W. Rudolph
Forensic Services



Staff Profiles

Dallas Police & Fire Pension System Organizational Chart



CFOpros

RECEIVED

DEC 27 AM 9:47

CITY SECRETARY
DALLAS, TEXASPOB 1260
Addison, TX 75001-1260
214 366-4826
214 214-2272 Direct
cfopros.com

December 22, 2002

Mr. Teodoro J. Benavides
Dallas City Manager
1500 Marilla Street, Room 4EN
Dallas, Texas 75201-6390
USPS CERTIFIED MAIL
7001 1940 0005 0882 9930

Dear Mr. Benavides:

RE: Texas Public Information Act (PIA) Request

Pursuant to the Texas Public Information Act (Texas Open Records Act), Chapter 552, Texas Government Code, I am requesting the following information regarding the Dallas Police & Fire Pension System, its employees, and its Board of Trustees (collectively, the "Pension System"):

1. In a transmittal message included with its 2001 Annual Report (copy enclosed), the Pension System states that "Shortly after the close of 2001, the System uncovered theft of System funds by one employee." Please provide the exact date on which the Pension System identified the aforementioned "employee theft."
2. Please identify the complete name and address of all firms and/or individuals retained by the Pension System for the purpose of conducting and/or performing internal control reviews and/or evaluations, employee background investigations, fraud examinations, and/or forensic accountings during the period beginning with the date of the "employee theft" as noted in item #1 above, and continuing through December 31, 2002.
3. Please provide by date, check number, and dollar amount, all payments made by the Pension System to firms and/or individuals identified in item #2 above during the period beginning January 1, 2000, through December 31, 2002.
4. For payments to firms and/or individuals noted in item #3 above, please identify all written reports received by the Pension System and its Board of Trustees, to include the date and subject of each report as well as the approximate date of receipt by the Pension System and its Board of Trustees.
5. Please provide copies of all written reports identified in item #4 above. Please ensure that the identities of Pension System employees, if any, that may be referenced in the aforementioned written reports, are removed from copies provided pursuant to this PIA request.

RECEIVED

DEC 16 2003

DALLAS POLICE & FIRE
PENSION SYSTEM

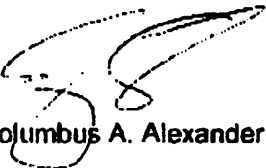
Teodoro J. Benavides
December 22, 2002

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Please note that I am requesting that copies of the above be produced through your office, and agree to pay the charges related to this Open Records Request. In addition, please note that I am requesting a written itemized statement of estimated charges in advance of work being started should the expected charges exceed \$40.

Please advise should you have comments or require additional information. Thank you.

Sincerely yours,



Columbus A. Alexander, III, CPA