My name is Francesca Pariante Bedell. I am a retired public-school teacher. I was one of 27,538 retirees who had their financial security upended when the General Assembly chose to ignore the law and instead passed RIRSA, the Rhode Island Retirement Security Act 0f 2011. I am here representing both the Clifford group and the pre-RIRSA Retiree Pension Justice group.

You know the fix is in when Gina Raimondo as State Treasurer invents a crisis in order to make a name for herself, while at the same time investing the state’s money in the hedge funds of her wall street buddies, paying them large investment fees for little return. This after already investing the state’s money in her own private capital venture fund, paying herself large investment fees that continue to this day.

You know the fix is in when the Economic Policy Institute, a highly-respected, nonprofit, independent think tank, observes the following: “The campaign behind RIRSA, ostensibly a local initiative, was largely funded by a Texas hedge fund billionaire and former Enron trader. The discussion exaggerated the challenges faced by the pension fund and the state while downplaying the damage to workers and retirees, who were the victims, not perpetrators, of pension underfunding.”[[1]](#endnote-1)

You know the fix is in when former Representative Spencer Dickinson tries to introduce a bill that would have placed less of a financial burden on retirees and state workers but the Speaker of the House, Gordon Fox, refuses to let him introduce it.

The Speaker of the House is the most powerful person in the General Assembly. Nothing gets passed unless the Speaker approves it. Gordon Fox was Speaker when the 2011 law and the 2015 Settlement Agreement were forced on us. Also powerful is the Chair of the House Finance Committee. Raymond Gallison was Vice Chair in 2011 and Chair in 2015. Fox and Gallison were both attorneys, and both ended up convicted felons.[[2]](#endnote-2) Both had felonies contemporaneous with the enactment of the 2011 law. This is what the US attorney had to say about Gordon Fox: *“**It is a great irony that the man in Rhode Island once most responsible for securing the passage of laws, somewhere along the way decided he no longer needed to follow them.”*

You know the fix is in when Joseph Newton, the state’s own actuary, recommends a more moderate course of action – his recommendation in keeping with a long-standing ruling by the US Supreme Court - but the state instead decides to violate that ruling, breaking its contract with its retired workers and ruining their financial future.

You know the fix is in when the 2011 law halts the current COLA; dramatically changes its formula; and projects the new COLA won’t be paid out until 2032, when most of the affected retirees will be dead – all of this in conflict with the 2007 Rhode Island Supreme Court ruling that says you *cannot* change the terms of COLAs for retirees who have already fulfilled their contracts.

You know the fix is in when nine different groups sue the state, and the state then tries to push through a Settlement Agreement, sending ballots to dead people, declaring that any unreturned ballots count as *approving* the Settlement Agreement.

You know the fix is in when that Settlement Agreement does *not* pass and the state comes up with yet another one, changing the previous rules to make sure this one passes.

You know the fix is in when Gina Raimondo, then Governor, persuades the General Assembly to change the law that requires excess revenues to go into the pension fund, and has them go into the general fund instead.

You know the fix is in when the highest judicial official in the state stands in front of you and more than 100 other retirees and says that you definitely have a contract but that the fix is in; the whole thing is political; and there is no way you can win.

So now it is up to you to do the right thing, the only legitimate, legal thing. Advise the General Assembly to comply with the RI Supreme Court’s ruling in *Arena vs. Providence* and reinstate the 3% compounded COLAs to those who had retired prior to the start-up date of the bogus 2011 law. Anybody can manipulate statistics to make them come out the way they want them to. But the law is the law; and in spite of what the state managed to pull off in 2011 - and again in 2015 - the law is NOT to be manipulated.

Our particular retiree groups are in the process of pursuing legal action in order to get the General Assembly to follow the law. *It is a great irony that the branch of government in Rhode Island responsible for the passage of laws, continues to decide they don’t need to follow them.”*

We have already furnished you with copies of the Arena decision and the Economic Policy Institute article.

1. *Truth in Numbers? A Brief History of Cuts to the Employees’ Retirement System of Rhode Island*, a report by Monique Morrissey.

   Monique Morrissey joined the Economic Policy Institute in 2006. Her areas of expertise include labor markets, retirement security, executive compensation, unions and collective bargaining, and financial markets. She previously worked at the AFL-CIO Office of Investment and the Financial Markets Center. She has a Ph.D. in economics from American University and a B.A. in political science and history from Swarthmore College. [↑](#endnote-ref-1)
2. Gordon Fox repeatedly used money received from campaign to pay for personal expenses.  After transferring the money from his campaign accounts to his personal accounts, he used the money - $108,000 in all - to pay the mortgage on his home, the loan payments on his car, and the balance on his personal American Express card, which he used to make purchases at various retail outlets.  In order to conceal his fraudulent conduct, he falsified his mandatory Rhode Island Board of Elections filings. While serving as an appointed member and Vice-Chairman of the City of Providence Board of Licenses, he accepted a $52,000 bribe from the owners of Shark Sushi Bar and Grill to help secure a liquor license for the establishment. At the time, there was considerable neighborhood opposition to the application. At a hearing in 2008, Vice-Chairman Fox, pursuant to his agreement with the Shark Bar partners, spoke in detail regarding why the license should be awarded, and moved the Board to approve the Shark Bar’s application. The Board voted to approve the Shark Bar’s application.  For the tax years 2008 through 2012, he filed false tax returns, in that he knowingly omitted personal income he received as a result of his receipt of the bribe in 2008 and his fraudulent transfers from his campaign accounts to his personal accounts.

   Raymond Gallison, as executor of an estate of an individual from Barrington, R.I., who passed away in February 2012, devised and executed various schemes to steal or transfer to his own name and bank accounts, cash, checks, stocks and real property belonging to the deceased person and/or his estate, valued at a total of $677,454.10. He fraudulently used the name and social security number of the deceased person to execute a scheme to cause the liquidation of certain stocks belonging to the deceased person. He caused the filing of a false tax document on behalf of Alternative Education Programming (AEP), a non-profit organization which provided educational programs to students who may need assistance with course work, and/or minority and/or disadvantaged students who may need financial or other assistance to gain an education, and of which Gallison was listed as Assistant Director. The tax document listed that $77,957 in tuition and related fees and expenses were paid for 47 students from July 1, 2012, through June 30, 2013. In fact, on behalf of AEP, Gallison paid only $3,137.29 to assist 2 students during that year and paid approximately $64,575 to himself and another person in wages and consulting fees for no work undertaken on AEP’s behalf. As trustee for a disabled person’s Special Needs Trust, he defrauded the Trust by writing a check from the Trust account for $8,900, which he deposited into an AEP account. Gallison then wrote a check for $8,800 from the AEP account to pay an outstanding bill at the Community College of Rhode Island. He failed to claim a total of $622,286.17 in income on joint IRS tax returns for tax years 2012 and 2013, and, as a result of his relevant conduct from 2012-2015, Gallison failed to pay a total of $226,332.31 in taxes. [↑](#endnote-ref-2)