



North Carolina
Total Retirement Plans



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

MINUTES

BOARD OF TRUSTEES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

The regularly quarterly meeting of the Board of Trustees was called to order at 9:01 a.m., October 27, 2022, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC 27604. The Chair thanked the members of the Board for their service. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

Members Present in Person or via Telephone

Treasurer Dale R. Folwell, Lentz Brewer (via telephone), John Ebbighausen, Vernon Gammon, Dirk German (via telephone), Barbara Gibson (via telephone), Linda Gunter, Oliver Holley (via telephone), Greg Patterson, Margaret Reader (via telephone), Joshua Smith (via telephone), and Jeffrey Winstead.

Members Absent

Catherine Truitt.

Guests in Attendance in Person or via Telephone

Cliff Johnson and Jamie Robinson with the State Employees Association of North Carolina; Representative Pat Hurley with the North Carolina General Assembly; Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global, LLC.

Department of State Treasurer Staff Present in Person or Via Telephone

Tonya Bass, Thomas Causey, Christy Farrelly, Joan Fontes (via telephone), Ben Garner (via telephone), Bill Golden (via telephone), Jeff Hancock (via telephone), Elizabeth Hawley, Patrick Kinlaw, Richard Lopez, Taylor Matyi, Timothy Melton, Christopher Morris (via telephone), Lisa Norris, Debra Thomas (via telephone), and Sam Watts.

Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

The Chair asked, pursuant to the ethics rules, about conflicts of interest of board members. No conflicts of interest were identified by the board members.

Approval of the State Minutes from the July 28, 2022 Board Meeting

Jeffrey Winstead asked for the July 28, 2022 minutes be altered to reflect more detail of the public comment made by Benny Brigman. Linda Gunter moved the board to alter the minutes of the July 28, 2022 Board meeting to reflect more detail of the public comment made by Benny Brigman and to approve the minutes of the July 28, 2022 Board meeting. Jeffrey Winstead seconded the motion, and the minutes were approved by a unanimous vote of 12-0.

Operations, Member Services, and Compliance Update

The Chair recognized Rick Lopez, Director of Operations for an update on the Division's operations. Mr. Lopez began by discussing the Division's operations noting the team processed 3,993 retirements in July of 2022 with an average turnaround time of 39.5 days. Mr. Lopez discussed death notifications, noting more than 1,300 death notifications in August 2022. Mr. Lopez stated that this influx was due to the hiring of three retirees who were able to utilize reports to identify deaths. Mr. Lopez discussed disability application processing, noting that the team is working on a new method to better track the metrics for disability applications. Mr. Lopez discussed refund requests, noting that the team processed 1,023 refund requests in September 2022 with an average turnaround time of 8.9 days. Mr. Lopez also discussed monthly payroll processing, stating that in October 2022 the Division paid over 354,000 payees with a total payment amount of nearly \$837 million, noting a 4% (2% for LGRS) one-time supplement was included in October's payments. Mr. Lopez mentioned that ORBIT self-service usage had almost 1.5 million retirement estimates, nearly 300,000 annual statement reviews, 11,781 address changes, over 60,000 direct deposit changes, and nearly 91,000 tax withholding changes over the last 12 months.

The Chair recognized Tonya Bass for a presentation on the metrics for Member Services. Ms. Bass began by discussing the implementation of a new phone system which went live on September 21st. Ms. Bass provided a brief update on staff vacancies and positions that have been filled. Ms. Bass moved on to discuss the metrics for Member Services referring to the chart showing the number of pieces of correspondence or letters received noting that staff has been able to bring down response times largely due to filling vacant positions. Ms. Bass noted that Member Services received more than 17,000 pieces of mail in the last 90 days. Ms. Bass referenced the Meetings and Webinar slide noting that since July 2022 over 1,200 members and 104 employers attended. Ms. Bass further discussed visitors and counseling sessions noting that the retirement office was reopened to the public in April, but the division is still working on an appointment basis offering 10 appointments per day. Ms. Bass stated that over the last three months there has been 443 appointments and 520

visitors in the office. Ms. Bass touched on emails and calls received noting that email turnaround has improved due to filling vacant positions and that the team is still working to bring phone answer times down. Ms. Bass noted that in the past 90 days staff have responded to over 16,000 emails and that the average speed of answer is the lowest in almost two years.

The Chair recognized Director of Policy, Planning & Compliance, Patrick Kinlaw. Mr. Kinlaw remarked that Buck Global, LLC would be presenting their actuarial valuation results for the Retirement Systems later in the meeting, having completed the process of transitioning the actuarial valuations from the prior actuary. He noted that the valuations to be presented later in the meeting would reflect conditions as of December 31, 2021, and therefore would not reflect the challenging capital market conditions of 2022, which through September 30, 2022 included an estimated investment return of negative 13.7%. Mr. Kinlaw then discussed Contribution-Based Benefit Cap liabilities, noting that 568 retirements since 2015 have resulted in required employer contributions totaling more than \$56.9 million, and of that amount, more than \$45.1 million has been collected. Mr. Kinlaw briefly mentioned the 2022 Legislative Memo and the revised Board Meeting Minutes for the April board meeting attached as an appendix item to the meeting agenda.

The Chair recognized Sam Watts, Legislative Liaison for the Department, who presented the Boards of Trustees with the Public Pensions Coordinating Council (PPCC) Standards Awards for Funding and Administration for the Teachers' and State Employees' Retirement System, the Registers of Deeds' Pension Fund, the Local Governmental Employees' Retirement System, the Firefighters' and Rescue Squad Workers' Pension Fund, the Legislative Retirement System, the Consolidated Judicial Retirement System, and the North Carolina National Guard Pension Fund.

Update on the Investment Advisory Committee (IAC) Meetings

The Chair recognized Greg Patterson to provide an update on the IAC meetings. Mr. Patterson began by reminding everyone that the materials presented to the IAC can be found on nctreasurer.com under the Investment Management Division page. Mr. Patterson stated the last IAC meeting occurred on August 24, 2022, where the meeting began with an update on the economic environment. Mr. Patterson stated the portfolio for the Retirement System as of June 30, 2022 was at \$111 billion but that the portfolio at the close of business on October 26, 2022 was at \$106 billion, with roughly \$60 billion managed internally by Investment Management Division staff. Mr. Patterson noted the 12-month return through June 30th was -6.73%, the 3-year return was 4.86%, the 5-year return was 5.69%, and the 10-year return was at 6.69%. Mr. Patterson noted that the IAC had discussed the Private Equity asset class, reviewed 19 fund managers, and then discussed the Public Equity portfolio.

Presentation of Decennial Rules Readoption Summary and Final Text of Rules for Readoption

The Chair recognized Timothy Melton, Assistant General Counsel for the Retirement Systems Division, for a presentation on the Decennial Rules Readoption Summary and the Final Text of the Rules for Readoption. Mr. Melton began by providing a brief background of the Decennial Rules Review project pursuant to N.C. Gen. Stat. § 150B-21.3A. Mr. Melton noted that the Rules and Impact Analysis were presented to the Board at the April 2022 board meeting where the Boards voted to approve the proposed rule text and the impact analysis. Mr. Melton stated that since that meeting the proposal was published in the North Carolina Register on June 1, 2022 which began a 15-day public hearing request and a 60-day public comment period, noting that no hearing request or comments were received. Mr. Melton stated the next step in the process is for the Board to approve and officially adopt the final rules text and impact analysis then staff will submit the final rule text to the Rules Review Commission for review at an upcoming meeting.

Greg Patterson made a motion to approve and adopt the final rule text and Regulatory and Fiscal Impact Analysis, and authorize staff to take all necessary steps required to complete the Decennial Rules Review process in accordance with N.C. Gen. Stat. § 150B-21.3A. John Ebbighausen seconded the motion and the motion passed with a unanimous vote of 12-0.

Actuarial Overview

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley with Buck Global for an actuarial overview.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the Teachers' and State Employees' Retirement System

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the Teachers' and State Employees' Retirement System as of December 31, 2021.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the Consolidated Judicial Retirement System

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the Consolidated Judicial Retirement System as of December 31, 2021.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the Legislative Retirement System

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the Legislative Retirement System as of December 31, 2021.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the Disability Income Plan of North Carolina

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the Disability Income Plan of North Carolina as of December 31, 2021.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the North Carolina National Guard Pension Fund

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the North Carolina National Guard Pension Fund as of December 31, 2021.

Presentation by the Consulting Actuary on the Principal Results of the Actuarial Valuation for the Death Benefit Plans

The Chair recognized Tonya Manning, Michael Ribble, and Elizabeth Wiley of Buck Global to provide the principal results of the actuarial valuation for the Death Benefit Plans as of December 31, 2021.

Vote to Accept the Actuarial Valuation Principal Result Reports

Vernon Gammon moved the Board to accept the actuarial valuation reports presented by Buck Global. Linda Gunter seconded the motion, and the reports were accepted by a unanimous vote of 11-0. Joshua Smith was not present for the vote.

Contribution-Based Benefit Cap Average Final Compensation Threshold Determination

The Chair recognized Patrick Kinlaw for a presentation on the Contribution-Based Benefit Cap (CBBC). Mr. Kinlaw provided a brief background on the CBBC noting it can apply to retiring members only if their four-year average final compensation is greater than or equal to a certain amount, the "threshold." Mr. Kinlaw stated if someone's average final compensation is below the threshold, the CBBC does not apply to them. Mr. Kinlaw discussed that the threshold was set by law at \$100,000 in 2015 and has increased each January for inflation noting that originally the increase was based on December-to-December increases in the Consumer Price Index (CPI) but in accordance with a 2018 law, the calculation changed in 2019 to be based on the June-to-June increase in the Consumer Price Index. Mr. Kinlaw stated for retirements effective in 2022, the threshold is

\$116,366.68. Further, Mr. Kinlaw discussed the CPI increase from June 2021 to June 2022 was 9.1% and therefore the threshold should increase by 9.1% to \$126,956.05 to be applicable for retirements effective in 2023.

Public Comments

The Chair recognized Cliff Johnson from the State Employees Association of North Carolina (SEANC) for a public comment. Mr. Johnson thanked the Treasurer, staff, and Board for the strides they have made in securing and making the Retirement Systems as stable as they are today. Mr. Johnson stated that retirees have not had a true COLA from the Retirement System since 2007 and asked that the Board consider any steps that could be taken to recommend a true cost of living increase. Mr. Johnson stated that a one-time bonus is nice but can be spent with just one medical bill.

The Chair recognized Jamie Robinson from SEANC for a public comment. Mr. Robinson noted that Mr. Johnson alluded to everything he was wanting to speak on, but he would like to thank the Treasurer's office and the Board for everything they do. Mr. Robinson noted that after hearing all the reports during the meeting, there are a lot of moving parts and pieces but that he must ask because retirees do need a true COLA.

Board of Trustees Comments

Oliver Holley thanked the educators and staff of the school systems and asked the Board to keep Elizabeth City-Pasquotank Public Schools and their students in your thoughts and prayers due to student losses and injuries.

Margaret Reader thanked everyone for their time and energy that they commit to the Board and thanked staff for making the effort for member to keep their beneficiary designations up to date. Ms. Reader further noted that she appreciated her bonus in her pension this month but that she would love to see it every month even though according to the presentations today it does not look promising.

Barbara Gibson noted she is always impressed with the presentations that are brought to the meetings noting appreciation to staff. Ms. Gibson stated that times have been tough for state employees, and she thinks they understand that money is not going to come flowing in from taxpayer dollars, but she hopes that after the great year the systems had that everyone will think long and hard to recommend some sort of COLA to the Legislature. Ms. Gibson noted it is a good time to reflect on all the good work state employees do and it would be great to take care of them when they retire.

Greg Patterson stated that it being his last board meeting he wanted to say it has been a true honor serving on the Board. Mr. Patterson noted that his biggest takeaway over the last 7 years is that remarkable things happen in this building.

Linda Gunter stated their educators have been really excited about their increase. Ms. Gunter further noted that next year they will be coming back and talking about a COLA and thanked Buck Global for their presentation and breakdown on costs.

Jeffrey Winstead and John Ebbighausen thanked staff for their hard work.

Vernon Gammon asked for prayers for the family of Officer Gabriel Torres, who was killed in Raleigh last week. Mr. Gammon also stated that the Governor spoke very highly of the Board in a recent interaction with him.

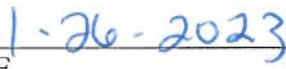
The Chair called for the meeting to be adjourned in memory of Officer Gabriel Torres of the Raleigh Police Department and Stan Elrod of the Winston-Salem/Forsyth County Schools. The Chair thanked the staff for all they do and encouraged everyone to donate blood.

Adjournment

There being no further business before the Board, Vernon Gammon moved to adjourn the meeting. John Ebbighausen seconded the motion and the motion passed by unanimous vote of 10-0. Joshua Smith and Lentz Brewer were not present for the vote. The meeting was adjourned at 12:40 p.m. in memory of Officer Gabriel Torres and Stan Elrod.


CHAIR


SECRETARY


DATE

TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES

October 27, 2022 Meeting

AGENDA ITEM

2a. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

2b. Statement of Economic Interest evaluations of members pursuant to the Ethics Act § 138A-15(c)

The following packet contains updated Statement of Economic Interest (SEI) evaluation letters issued by the State Ethics Commission. These are being provided for Board members' review and recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the evaluations to inform and remind them of the identified actual or potential conflicts of interest.

The SEI Evaluations for the following members are being provided for review:

- Dale R. Folwell, State Treasurer
- Catherine Truitt, Superintendent of Public Instruction
- Barbara Gibson, Director of the Office of State Human Resources
- Oliver Holley
- Margaret Reader
- Dr. Joshua Smith
- Cecil Vernon Gammon
- Jeffrey Winstead
- Linda Gunter
- David (Dirk) German, Jr.
- Michael Gregory Patterson
- Thomas Causey (State Treasurer's secondary designee)



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 14, 2022

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Treasurer Folwell:

Our office has received your 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees ("Board") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Treasurer for the State of North Carolina, you hold an ex officio role on the Board. You disclosed that you own financial interests in Republic First BankCorp and Colony. As a State employee you will be a beneficiary of the Retirement System. Therefore, you should exercise appropriate caution in the performance of your public duties should issues involving your retirement benefits or any entity in which you or your spouse own a financial interest come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Catherine Truitt
Superintendent of Public Instruction
6301 Mail Service Center
Raleigh, North Carolina 27699-6301

Re: Evaluation of Statement of Economic Interest

Dear Superintendent Truitt:

Our office has received your 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees (the "Retirement System") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Superintendent of Public Instruction, you serve as an ex officio member on the Board. You are a potential beneficiary of the Retirement System and should therefore exercise appropriate caution in the performance of your public duties should issues involving your retirement benefits come before the Board for official action.

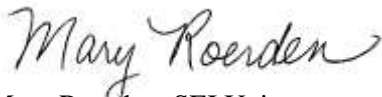
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

Barbara J. Gibson, Director
North Carolina Office of State Human Resources
116 West Jones Street
Raleigh, North Carolina 27603

**Re: Evaluation of Statement of Economic Interest
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Ms. Gibson:

Our office has received your 2021 Statement of Economic Interest and 2022 No-Change form as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed the 2021 Statement of Economic Interest for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

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As the Director of the Office of State Human Resources you serve as an ex officio member of the Board. Because you and your spouse are State employees who would benefit from the Retirement System, you have the potential for a conflict of interest. Therefore, you should exercise appropriate caution in the performance of your public duties should issues involving you or your spouse's retirement benefits come before the Board for official action.

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Oliver A. Holley
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. Oliver A. Holley's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Board of Trustees of the Teachers' and State Employees' Retirement System is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Holley fills the role of a member of the teaching profession. He is a Human Resources Director with the Dare County Schools and is a potential beneficiary of the Retirement System. Therefore, Mr. Holley has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving his retirement benefits come before the Board for official action.

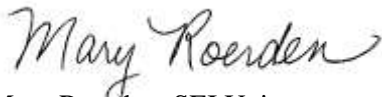
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

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Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Oliver A. Holley
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Margaret Reader
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Ms. Margaret Reader's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Reader fills the role of a State employee serving on the Board. Because she is a beneficiary of the State Retirement System, she has the potential for a conflict of interest. Therefore, Ms. Reader should exercise appropriate caution in the performance of her public duties should issues concerning her retirement benefits come before the Board for official action.

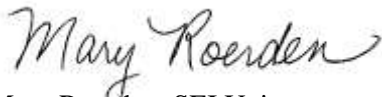
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Margaret Reader
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

Re: Evaluation of Statement of Economic Interest Filed by Dr. Joshua J. Smith Teachers' and State Employees' Retirement System Board of Trustees

Dear Governor Cooper:

Our office has received **Dr. Joshua J. Smith's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood for a conflict of interest.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Dr. Smith fills the role of a member who is not a teacher or State employee.

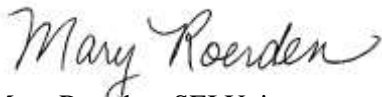
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Dr. Joshua J. Smith
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Cecil Vernon Gammon
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. Cecil Vernon Gammon's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood for a conflict of interest.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Gammon fills the role of a member who is not a teacher or State employee.

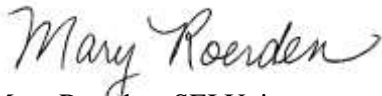
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Cecil Vernon Gammon
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Jeffrey Scott Winstead
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. Jeffrey Scott Winstead's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Winstead fills the role of a retired State employee serving on the Board. He and his spouse are beneficiaries of the Retirement System. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues regarding his or his spouse's retirement benefits come before the Board for official action.

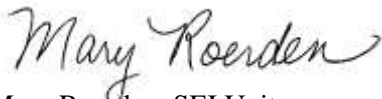
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Jeffrey Scott Winstead
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 14, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Linda H. Gunter
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received by **Ms. Linda H. Gunter's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Gunter fills the role of a retired teacher serving on the Board. She is a beneficiary of the Retirement System. In addition, Ms. Gunter is an officer of the North Carolina Retired School Personnel, a division of the North Carolina Education Association (NCAE). Therefore, Ms. Gunter has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should issues involving these entities or her retirement benefits come before the Board for official action.

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Linda H. Gunter
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 14, 2022

The Honorable Roy A. Cooper III
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. David L. German Jr.
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. David L. German Jr.'s** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. German fills the role of a State law enforcement officer on the Board. He is employed by the North Carolina State Board of Dental Examiners and a beneficiary of the State Retirement System. In addition, his spouse owns financial interests in RBC Bank and Lincoln Financial. Therefore, Mr. German has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving these entities or his retirement benefits come before the Board for official action.

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: David L. German Jr.
Laura Rowe, Ethics Liaison
Gregory S. McLeod, Deputy General Counsel, Office of the Governor
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 14, 2022

The Honorable Tim Moore
Speaker of the House of Representatives
16 West Jones Street, Room 2304
Raleigh, North Carolina 27601-1096

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Michael Gregory Patterson
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Speaker Moore:

Our office has received **Mr. Michael Gregory Patterson's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Teachers' and State Employees' Retirement System Board of Trustees is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Patterson fills the role of a non-state/local government employee on the Board. He is a partner of Simplicity Group, which provides financial, insurance and investment services. In addition, he owns financial interests in various companies, including U.S. Annuity Partners, LLC, Comerica, Bank of America, and Goldman Sachs Group. Therefore, Mr. Patterson has the potential conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any entity in which he or his spouse own a financial interest come before the Board for official action.

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Michael Gregory Patterson
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 13, 2022

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Thomas Causey
Teachers' and State Employees' Retirement System Board of Trustees**

Dear Treasurer Folwell:

Our office has received **Mr. Thomas Causey's** 2022 Statement of Economic Interest as a member of the **Teachers' and State Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Board of Trustees of the Teachers' and State Employees' Retirement System ("Board") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Causey serves as your secondary designee on the Board. Because he is a State employee who would benefit from the State's retirement system, he has the potential for a conflict of interest. Therefore, Mr. Causey should exercise appropriate caution in the performance of his public duties should issues involving his retirement benefits come before the Board for official action.

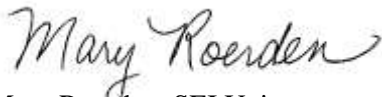
In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit
State Ethics Commission

cc: Thomas Causey
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide