



John Keel, CPA
State Auditor

A Special Investigations Unit Report on
**Optional Retirement Program Funds at
Texarkana College and
Dallas County Community College District**

October 2, 2009

Members of the Legislative Audit Committee:

On September 22, 2009, the Bowie County Criminal District Attorney obtained indictments from a Bowie County grand jury on Brian Patrick Troy, a former financial representative for American International Group Variable Annuity Life Insurance Company (AIG VALIC) and LPL Financial.

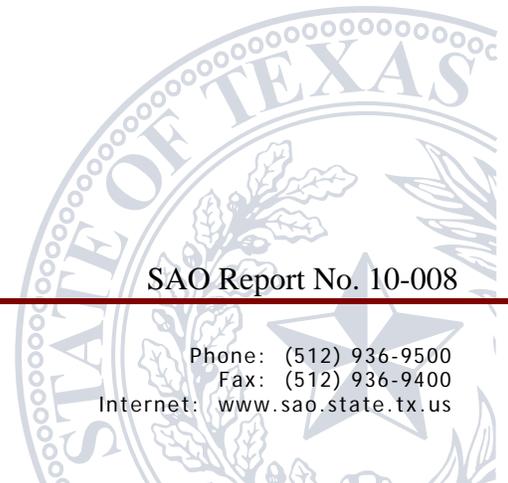
In July 2008, the Special Investigations Unit received allegations from the Higher Education Coordinating Board and a member of the board of trustees for Texarkana College that Mr. Troy was submitting falsified documents to AIG VALIC to transfer optional retirement program accounts of Texarkana College employees to tax sheltered annuities or money market accounts. The Special Investigations Unit also determined that Mr. Troy allegedly transferred ORP funds belonging to employees of the Dallas County Community College District to tax sheltered annuities or money market accounts.

The indictments charged Mr. Troy with 21 counts of misapplication of fiduciary property and 22 counts of securing execution of a document by deception. Thirty-five of the counts are first degree felonies punishable by imprisonment of 5 to 99 years and a fine not to exceed \$10,000. Eight of the counts are second degree felonies punishable by imprisonment of 2 to 20 years and a fine not to exceed \$10,000.

The Optional Retirement Program

The Optional Retirement Program (ORP) was established in 1981 by the 67th Legislature to "establish a complete retirement program for faculty members employed in state-supported institutions of higher education as an incentive that will attract high quality faculties and thereby improve the level of education at state-supported colleges and universities."

All full-time faculty, librarians, and certain professionals and administrators employed in higher education are eligible to participate in an ORP within the first 90 days of employment. An ORP is a "defined contribution plan," which is not available to participants unless they terminate employment, retire, attain the age of 70.5, or die. The state contribution rate for ORP accounts is 6.58 percent, and employees are vested after 12 months of employment in Texas public higher education.



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If you have any questions, please contact Ralph Disher, Senior Investigator, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Rick Perry, Governor of Texas
The Honorable Greg Abbott, Attorney General
The Honorable Bobby Lockhart, Bowie County Criminal District Attorney
Dr. Raymund A. Paredes, Commissioner of Higher Education,
Higher Education Coordinating Board
Dr. Wright Lassiter, Chancellor, Dallas County Community College District
Dr. Alan Rasco, President, Texarkana College

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