

NBI #16 – REVISED BY MAKER

2024 FORM FOR NEW BUSINESS ITEMS

MTA Organize an Annual Labor Conference of Pensions			04.22.2024 3:37 PM
Matthew Scheffler			Date and Time Framingham Teachers Assoc.
Delegate Making the Motion	Cell	Email	Association Represented or Retired
Christine Mulrone			Framingham Teachers Assoc.
Delegate Seconding the Motion	Cell	Email	Association Represented or Retired

According to the MTA Standing/Special Rules:

With the exception of items on the agenda, all substantive motions shall be submitted in writing to the Presiding Officer.

MOTION

MOVED: This motion is submitted on behalf of troubled teenagers and at-risk youth who have been harmed or lost their lives due to the criminal negligence and management of private equity fund managers, such as Bain Capital and Centerbridge Capital

I move the MTA to organize a virtual Labor Conference of Pensions (LCOP) in collaboration with all willing Sibling Unions in Massachusetts who are invested in or impacted by Mass PRIM and their Private Funds. The mission of this conference is to demand financial science, not marketing, guide the management of the PRIT fund, and raise awareness of the true cost and societal impact of our pension investments. It is an open secret that Wall Street views public pensions as “dumb money”. It's time we change that.

This conference will host a council of experts: academics, journalists, regulators, state and federal delegates, advocacy groups, and pension specialists from NEA, AFT, SEIU, Public Safety Unions, Teamsters, and United Auto Workers to offer their insight and provide a forum of direct communication between independent experts and pension beneficiaries. This forum will also provide all current Mass PRIM board members with access to independent, evidence-based research and information about Private Funds. This conference will publish a report compiling and highlighting the research findings from the council of experts, which will be distributed to the media, state & federal regulators, and pension board members & fund managers.

Fact:

These private funds and investments were deemed illegal until the [National Securities Market Improvement Act of 1996](#) because of their [history of abuse, mismanagement, and criminal enterprises](#). We've never paid and sacrificed more into the PRIT fund, yet MA teachers still have one of the worst-funded pensions in the country. This is because Mass PRIM & MTRS has subsidized Wall Street's underperformance and bonuses with our 11% and state funding, while causing immeasurable societal harm for decades.

The deregulation of State Pensions in 1996 is eerily similar to the deregulation of the Savings and Loan Banks by Wall Street in the 1980s. This gave rise to the opaque investment world of leveraged-buy-outs and corruption of regulatory oversight that would ultimately bankrupt over a thousand S&Ls between 1986 and 1995. Unfortunately, it seems the [S&L Crisis](#), the arrest of Michael Milken, and the collapse of Drexel Burnham Lambert was only the beginning of this story. Leon Black, Michael Milken’s lieutenant at Drexel and disgraced [financier behind Jeffery Epstein](#) would start Apollo, from Drexel’s ashes and lobby [Congress to deregulate state pension funds](#) as they did with S&Ls to fund the next era of LBOs under their new gilded name: Private Equity.

History of Deregulations:

- A. 1980s | S&L Banks: [Michael Milken \(Drexel Burnham Lambert\)](#)-> [Depository Institutions Deregulation and Monetary Control Act 1980](#)
- B. 2000s | [Pensions](#): [Leon Black \(Apollo\)](#) -> [National Securities Market Improvement Act 1996](#)
- C. 2023: [Private Equity Returns Plunge to Global Financial Crisis Levels - Bloomberg](#)

Impact:

Last year, the [118th Congress \(2023-2024\) introduced Stop Institutional Child Abuse Act](#). This is in response to the extensive reports, findings, and evidence of abuse, neglect, and even death of our most vulnerable teenagers and children under the care our private fund managers: Bain Capital and Centerbridge Capital Partners and their portfolio companies.

A 2017 congressional report investigated the criminal harm and deaths our private equity fund managers were inflicted by our private fund manager Centerbridge Capital’s portfolio company: Mentor Network. They found "86 children died nationwide while in the company’s care over a decade with 62 of those deaths categorized as "unexpected". ([25 Investigates: State pays millions to foster care company with history of problems](#))

No longer can we afford to be silent

SUBMITTER’S RATIONALE:

Where’s Our 11?:

A Window into the True Cost of Private Equity (Teenagers) & Mass PRIM, PE Managers:

Bain Capital – Boston, MA Centerbridge Capital – NY

Fund	Vintage Year	Commitment	Contributed	Distributed	NAV	Net IRR	Net Multiple
Bain Capital Fund X, L.P.	2008	125,000,000	131,670,833	*	*	*	*
Centerbridge Capital Partners II, L.P.	2011	150,000,000	230,984,511	171,090,827	16,714,465	(7.3%)	0.8x
Centerbridge Capital Partners III, L.P.	2015	175,000,000	230,736,334	218,936,796	169,950,461	18.0%	1.7x
Centerbridge Capital Partners, LP	2007	50,000,000	78,776,126	138,754,063	1,988,596	19.2%	1.8x

PESP Reports: Troubled Youth

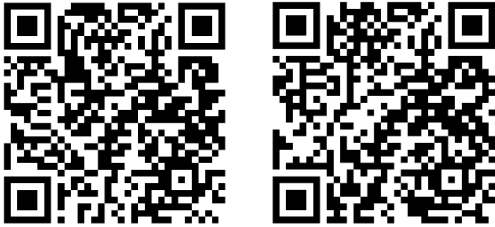
[The Kids Are Not Alright: How Private Equity Profits Off of Behavioral Health Services for Vulnerable and At-Risk Youth](#)

Portfolio Company #1: [Aspen Educational Group](#)

Portfolio Company #2: **Mentor Network (since rebranded Sevita Health)**

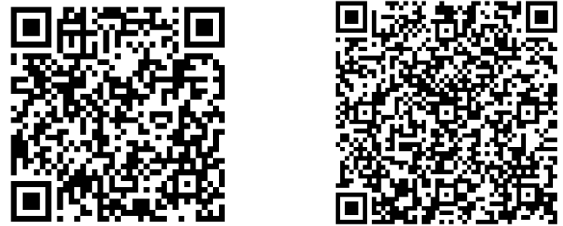


[The Program: Cons, Cults and Kidnapping | Official Trailer | Netflix](#)



[**This Company Profits Off the Most Vulnerable Children in the US**](#)

[AN EXAMINATION OF FOSTER CARE](#)



[25 Investigates: State pays millions to foster care company with history of problems](#)

[Private equity's latest play: the troubled kids industry | Reuters](#)



[The Kids Are Not Alright: How Private Equity Profits Off of Behavioral Health Services for Vulnerable and At-Risk Youth](#)



DUES IMPACT: \$0

SUBMITTER'S COST & STAFF TIME ESTIMATE:

MTA COST & STAFF TIME ESTIMATE (For MTA use only):

MTA Cost Estimate: \$0

MTA Staff Time Estimate: 500 hours