



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

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FOR IMMEDIATE RELEASE
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TREASURER COWELL ANNOUNCES POLICY REFORMS

RALEIGH – State Treasurer Janet Cowell announced today several policy reforms designed to increase transparency and strengthen oversight for the North Carolina Retirement Systems and the Department of State Treasurer. Cowell, who has been in office less than year, has developed new policies that cover post-employment, ethics, travel and placement agents.

“The top priority for this administration is transparency, ethics and accountability,” said Cowell. “These policies represent additional steps in instilling public confidence in our investment-making decisions.”

The policies include:

- **Two-Year Revolving Door Ban** - prohibits the Treasurer, senior executive staff, and key Investment Division staff from influencing and doing business with former colleagues at the Department of State Treasurer for two years after leaving employment.
- **Disclosure of Third-Party Reimbursements on Statement of Economic Interest Form** - requires that the Treasurer, senior executive staff, and key Investment Division staff disclose third-party reimbursements for travel-related expenses.
- **Travel Policy** - institutes three major changes to the prior policy around third-party reimbursements including; 1) formalizing the prohibition against direct third-party reimbursement from a contractor or investment manager doing business with the state, 2) requiring full disclosure of actual or estimated value for such reimbursement for all employees, and 3) implementing complete oversight over the reimbursement process by charging Financial Operations with approval and retention of all travel records.
- **Placement Agent Policy** - requires full disclosure of external managers to disclose the retention of placement agents, fees paid to them and if the agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Authority. This applies to all investment manager agreements made after the adoption of the policy. In addition, the Department has requested existing investment managers to voluntarily disclose the past use of placement agents.

The release of these new policies builds on Cowell’s commitment of increasing transparency and ethics, following other reforms announced earlier this year. Since the original reforms release, the Department has hired EnnisKnupp through a formal procurement process to conduct a fiduciary review that will provide an independent, comprehensive review of the Retirement Systems. Additionally, the Department posted quarterly investment performance reports available on the website, and is currently working to expand the Investment Advisory Committee to include more financial experts.

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