

What Does PERS Have to Hide?

Why haven't local news organizations and PERS reported details about Goldman Sachs Group, Inc. settling with PERS in litigation styled *Public Employees Retirement System of Mississippi v. Goldman Sachs Group Inc.*, 09-cv-01110, U.S. District Court, Southern District of New York (Manhattan). It would seem to be an important story for Mississippians? See a July 17, 2012 report from [Bloomberg news](#) below. Of course, PERS doesn't seem to have reported details of [earlier settlements](#) which include a \$315 million with Merrill Lynch or \$125 million with Wells Fargo.

If you think this isn't potentially important, take a look at a recent [PERS publication](#): "Since 2005, the employer rate has increased six times—most recently from 12.93 to 14.26 percent, effective July 1." In effect, since PERS (The Public Retirement System) pays retired public employees, this increase is being passed on to taxpayers.

Is PERS embarrassed? Are they reluctant to discuss being swindled or do they want to keep quiet about putting retirement money into risky mortgage backed securities? Are they concerned that they might have to discuss details of how much PERS lost and will not recover? (There were [more than 150 investors](#) in the class that will, presumably share in the proceeds of any settlement.) And, why have local newspapers, like *The Hattiesburg American*, dropped the ball by failing to report important events impacting the lives of local Mississippians, taxpayers, students, and members of PERS?

["Goldman Sachs Settles Class-Action Over \\$698 Offering](#)

Goldman Sachs Group Inc. (GS) reached a class settlement with investors in a \$698 million mortgage-backed securities offering, a lawyer for the plaintiffs told a federal judge in New York.

David Wales, who represents the Public Employees' Retirement System of Mississippi, told U.S. District Judge Harold Baer in a letter made public today that both sides had accepted a settlement proposed by a mediator. Details of the agreement weren't disclosed.

Wales said the parties will file papers by July 31 asking Baer to approve the settlement.

The Mississippi retirement fund sued in 2009, claiming New Century Financial Corp. (CYFL), which originated the mortgages underlying the securities, failed to adhere to its underwriting standards and overstated the value of the collateral backing the loans. The fund claimed Goldman Sachs didn't conduct proper due diligence when it bought the loans in 2005.

Baer in February granted a request by the Mississippi fund to represent a class of more than 150 investors in the offering.

Michael DuVally, a Goldman Sachs spokesman, declined to comment on the settlement.

The case is Public Employees Retirement System of Mississippi v. Goldman Sachs Group Inc., 09-cv-01110, U.S. District Court, Southern District of New York (Manhattan).

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