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Mismanagement of El Paso retirement fund suspected

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COLORADO SPRINGS - The El Paso County Retirement Fund is the target of a criminal investigation into allegations of financial mismanagement, District Attorney John Suthers said.

Suthers said Thursday that the inquiry involves allegations some pension-plan property managers overcharged the plan for expenses related to their work. "If there's truth to it, that would make the retirement plan the victim," Suthers said.

He declined to reveal other details of the investigation, the latest controversy involving the pension plan. It handles retirement money for 2,100 current and retired county and Pikes Peak Library District employees.

Until now, attention has focused on a no-bid contract to manage the pension plan's real estate investments. It was awarded to a corporation owned by the plan's administrator, Mike Witty.

Under Witty's firm, Pinnacle Investment Consultants, the plan has increased its real estate investments to more than a third of the fund's \$75 million in assets.

Suthers reviewed Witty's contract and determined it did not violate conflict-of-interest laws. However, the El Paso County commissioners voted unanimously to hire a consultant to evaluate the pension fund and its management practices. Witty has since quit the administrative job but retains the contract work.

The district attorney said the criminal investigation is not related to his noncriminal review of Pinnacle's contracts. He said Pinnacle Investment Consultants is not part of the inquiry.

The Colorado Springs Gazette Telegraph reported yesterday that sources close to the investigation say the probe stems from information provided by **Harmon Wilfred**, a property-management consultant and construction manager. Wilfred did business with several firms that hold management contracts for The Landing, a pension plan-owned shopping center in Colorado Springs.

Wilfred told the Gazette Telegraph that he recently quit working with The Landing's managers and approached the district attorney's office because "there are a lot of questions in the accounting of this stuff that need to be answered."

He said the questions include why one company was paid nearly double the leasing commission earlier negotiated by the company and the pension plan, and what happened to \$35,000 in pension plan money placed in an account to help cover construction work on a tenant's space.

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