



# STATE OF CONNECTICUT **NEWS**

**STATE TREASURER DENISE L. NAPIER  
ATTORNEY GENERAL RICHARD BLUMENTHAL**

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**FOR IMMEDIATE RELEASE**

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**Treasurer Moves to Sever All Ties to Triumph Capital;  
Napier, Blumenthal Will Seek Recovery of Assets for Pension Fund**

Connecticut Treasurer Denise L. Napier said today that the Connecticut pension fund will sever all ties with Triumph Capital, convicted yesterday on federal charges of bribery, racketeering, conspiracy and obstruction of justice. Napier, joined by Attorney General Richard Blumenthal, said the state would be asking U.S. District Court Judge Ellen Bree Burns, as well as the Office of U.S. Attorney and the Securities and Exchange Commission, to require restitution to the pension fund from Triumph.

"From day one, my standard has been quite clear: if an individual or business knowingly played a part in any of the illegal schemes of the previous administration, their days of doing business with this office are over. For Triumph Capital, that day has arrived," Napier said. "I have ordered that all ties between Triumph and the Office of the State Treasurer be severed, so that they, Triumph, will no longer control or manage a single dollar of our pension funds."

Blumenthal and Napier said that the pension fund will file a request with U.S. District Court formally seeking restitution for the pension fund when Triumph is sentenced on October 3 and they have also begun researching other legal avenues that may be pursued in an effort to recover funds.

"Zero tolerance for corruption – and total combat against it – are especially necessary when millions of pension dollars are illegally squandered," said Blumenthal. "We will promptly and tenaciously pursue every available legal remedy to recover pension fund assets lost through corruptly-induced investments."

The Triumph trial centered on a \$200 million investment made by convicted former Treasurer Paul Silvester after the November 1998 election. Napier recovered \$10 million from Triumph in mid-1999 and \$125.2 million from that investment in May 2001, with the assistance of the Office of Attorney General and the U.S. Attorney's Civil Division.

"Triumph lost two-thirds, or nearly \$50 million, of the remaining funds that were beyond our reach," Napier said. "The portion we were able to recover in 2001, prior to the

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trial, was largely invested in fixed income vehicles and brought us a positive annual return of more than 10%.”

Nappier and Blumenthal said they will be asking the Securities and Exchange Commission, which has previously filed charges against Triumph but was awaiting the outcome of the federal prosecution, and the U.S. Attorney’s Office, to return to the pension fund any ill-gotten gains. The Treasurer said that the pension fund has lost a total of \$64.2 million in four funds managed or controlled by Triumph.

Triumph currently controls state pension fund assets with a value of \$95.4 million. Nappier said her office is initiating steps to sell those assets. “We have been informed that Triumph is moving to create a successor corporation to take control of these assets. For us, that’s not enough. Triumph has been found guilty, and we won’t do business with them or any firm created solely to provide the illusion of change,” Nappier said.

“All citizens deserve total integrity in state investments and contracts. The best possible deal -- not for corrupt cronies but for the public -- must determine investment decisions. Now that the jury has made specific, powerful findings of guilt -- findings beyond a reasonable doubt on factual issues that go to the core of our claims -- I will work with the Treasurer to put this money back in our pension fund accounts,” Blumenthal said.

“Yesterday’s verdicts provide more ammunition to take action beyond the \$135 million we have already recaptured from Triumph. We will leave no stone unturned in an effort to recoup any losses due to malfeasance or misconduct,” Nappier said.

Nappier said “today, the Treasury is a much different – and better -- place. We not only cleaned up the mess left by my predecessor, and recovered for the pension fund, by various administrative and legal actions, more than a billion dollars that was linked to the unethical and illegal activities of my predecessor, we spearheaded the development and passage of the Treasury Reform law of 2000. As a result, today the Treasurer’s Office is bound by high standards of integrity, professionalism, and accountability -- and there are more checks and balances than had ever existed in the history of this office.”

Nappier, principal fiduciary of the Connecticut Retirement Plans and Trust Funds, said the sale of Triumph assets and initiation of legal action will be done in consultation with the state’s Investment Advisory Council.

Triumph founder and Chairman Frederick W. McCarthy, also indicted on similar federal charges, faces trial beginning in September.

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