

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF FINANCIAL AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on NYC Pensioners Working for New York State After Retirement January 1, 2001 – December 31, 2002

FL04-115A

June 30, 2004



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the responsibilities of the Comptroller contained in Chapter 5, § 93, of the New York City Charter, my office conducted an audit to identify New York City pensioners who may be illegally re-employed by New York State ("double-dippers" or "disability violators"), and to quantify the amounts of any improper payments to individuals who appear to be violators of New York State Retirement and Social Security Law, § 211 and § 212, or New York City Charter § 1117, during calendar years 2001 (BERS and NYCERS) and 2002 (all five New York City Retirement Systems).

The results of our audit, which are presented in this report, have been discussed with officials of each retirement system, and their comments have been considered in preparing this report.

Audits such as this provide a means of ensuring that pensioners are complying with all laws pertaining to public service re-employment and that appropriate steps are taken to recoup improper payments to individuals after retirement.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please contact my audit bureau at 212-669-3747 or e-mail us at audit@Comptroller.nyc.gov.

Very truly yours,

A handwritten signature in cursive script that reads "William C. Thompson, Jr.".

William C. Thompson, Jr.

WCT/gr

Report: FL04-115A
Filed: June 30, 2004

*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

**Audit Report on New York City Pensioners
Working for New York State after Retirement
January 1, 2001—December 31, 2002**

FL04-115A

AUDIT REPORT IN BRIEF

The Comptroller's Office performed an audit to identify New York City pensioners who may be illegally re-employed by New York State ("double-dippers" or "disability violators"), and to quantify the amounts of any improper pension payments to individuals who appear to be violators of New York State Retirement and Social Security Law (RSSL) § 211 and § 212, or New York City Charter § 1117, during calendar years 2001 (BERS and NYCERS) and 2002 (all five New York City Retirement Systems).

Audit Findings and Conclusions

The audit found that 44 pensioners who received \$802,289 in pension payments during 2001 and 2002 that appear to violate applicable sections of State and City laws. These pensioners were in apparent violation of RSSL § 211 or § 212 because they were under the age 70 in 2001 or under age 65 in 2002 and received excess State wages above the limitations without having a waiver on file at one of the five City retirement systems, or were in violation of § 1117 of the New York City Charter because they were collecting disability pensions while earning more than \$1,800 (including pension payments) a year at a New York State agency and were past their applicable anniversary dates.

Audit Recommendations

To address these issues the report recommended that officials of each of the five New York City retirement systems:

- Investigate those individuals identified as concurrently receiving pensions while being re-employed in New York State public service. City retirement system officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

- Forward to the Department of Investigation, if the circumstances warrant such action, the names of those individuals found to be illegally collecting pensions.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service re-employment.

INTRODUCTION

Background

A New York City service retiree who is re-employed by New York State or any of its political subdivisions may not continue to collect pension benefits, except in accordance with conditions established by the New York State Retirement and Social Security Law (RSSL), § 210 through 216. In the case of New York City disability retirees, the governing regulations are the New York City Administrative Code (Volume 3, Title 13) and the New York City Charter (§ 1117). If a post-retirement employee does not comply with the relevant laws, the practice is termed “double-dipping.”

Pursuant to § 211, a service retiree (a person receiving an ordinary service retirement rather than a disability retirement) who is re-employed in New York public service and who exceeds the § 212 salary limitations may have his or her pension benefits denied, unless the prospective employer has requested a waiver from the State or municipal Civil Service Commission or other authorized agency. The prospective employer must set forth the reasons for the request and obtain a waiver from that agency.

New York State law grants the authority to issue waivers to the following seven agencies:

- New York State Civil Service Commission (NYS)
- Commissioner of Education (NYS)
- New York City Civil Service Commission (NYC)
- Chancellor of the Board of Education (NYC)
- Board of Higher Education (CUNY) (NYC)
- Chancellor of State University (SUNY) (NYS)
- Administrator of Courts (NYS-NYC)

To obtain a waiver for an employee, the prospective employer of the retiree must show that the person’s skills are unique and in the best interests of the government service, and that no other qualified persons are readily available for recruitment to perform the duties of the position to be filled. Initial or renewed waivers may be for periods of up to two years.

An exception to this restriction is provided by RSSL § 212, which permits a service retiree to be re-employed in New York public service if the retiree earns no more than the amount prescribed by that section and files a “Section 212 Statement of Election” with his or her retirement system (see below). For calendar years 2001 and 2002, the earnings limitations do not apply after the retiree reaches the age of 70 and 65, respectively.

There are five New York City retirement systems that provide benefits for their employees and the employees of various City agencies. They are:

- New York City Board of Education Retirement System (BERS)
- New York City Employees’ Retirement System (NYCERS)
- New York City Fire Department Pension Fund (FIRE)
- New York City Police Department Pension Fund (POLICE)
- New York City Teachers’ Retirement System (TRS)

This report includes New York City pensioners from the above retirement systems.

For calendar years 2001 and 2002, the earnings limitations for a service retiree who filed a Statement of Election under § 212 were \$18,500 and \$20,000, respectively. Accordingly, any service retiree earning more than \$18,500 (in 2001) or \$20,000 (in 2002) should have received a § 211 waiver to prevent suspension of the retirement allowance during that year. Failure to comply with these requirements can result in the forfeiture of pension benefits in subsequent years.

Disability retirees are not subject to RSSL § 211 and § 212. However, the New York City Administrative Code, the New York State Education Law, and the New York City Charter (§ 1117) provide for the re-employment of New York City disability retirees in New York State public service. The following regulations are applicable to each of the five New York City retirement systems:

BERS:

The New York State Education Law (Title 2, Article 52, § 2575), combined with the New York City Charter (§ 1117), prohibits a New York City Board of Education non-pedagogical disability retiree from earning more than \$1,800 a year (including pension payments) in New York public service, unless the retiree’s disability pension is suspended during the time of such employment.

NYCERS:

The New York City Administrative Code (Volume 3, Title 13, Chapter 1, § 13-171), provides for the re-employment of New York City Employees’ Retirement System disability retirees in New York State public service. These provisions (also known as “Disability Safeguards”) apply up to only the minimum period for service retirement elected by the employee (usually 20 years, but 25 years may be elected), subject to the following conditions: (1) the retiree undergoes a medical examination, (2) the Board of Trustees of the retirement

system agrees with the medical board report and certification of the extent to which the retiree is able to work (the Board must then place the retiree's name on a civil service list as a "preferred eligible"), and (3) the Board reduces the retiree's pension to an amount which, when added to the retiree's salary, does not exceed the current maximum salary for the next highest title than that held by the person at retirement.

After the minimum (20- or 25-year) period for service retirement has expired, disability retirees in New York City are subject to the New York City Charter § 1117, which prohibits a retiree from earning more than \$1,800 a year (including pension payments) in New York public service, unless the retiree's disability pension is suspended during the time of such employment.

FIRE:

The New York City Administrative Code (Volume 3, Title 13, Chapter 3, § 13-356 and § 13-357), provides for the re-employment of New York City Fire Department disability retirees in New York public service. These provisions (also known as "Disability Safeguards") apply up to only the minimum period for service retirement elected by the employee (usually 20 years, but 25 years may be elected), subject to the following conditions: (1) the retiree undergoes a medical examination, (2) the Board of Trustees of the retirement system agrees with the medical board report and certification of the extent to which the retiree is able to work (the Board must then place the retiree's name on a civil service list as a "preferred eligible"), and (3) the Board reduces the retiree's pension to an amount which, when added to the retiree's salary, does not exceed the current maximum salary for the next highest title than that held by the person at retirement.

After the minimum (20- or 25-year) period for service retirement has expired, disability retirees in New York City are subject to the New York City Charter § 1117, which prohibits a retiree from earning more than \$1,800 a year (including pension payments) in New York public service unless the retiree's disability pension is suspended during the time of such employment.

POLICE:

The New York City Administrative Code (Volume 3, Title 13, Chapter 2, § 13-254), provides for the re-employment of New York City Police Department disability retirees in New York public service. These provisions (also known as "Disability Safeguards") apply up to only the minimum period for service retirement elected by the employee (usually 20 years, but 25 years may be elected), subject to the following conditions: (1) the retiree undergoes a medical examination, (2) the Board of Trustees of the retirement system agrees with the medical board report and certification of the extent to which the retiree is able to work (the Board must then place the retiree's name on a civil service list as a "preferred eligible"), and (3) the Board reduces the retiree's pension to an amount which, when added to the retiree's salary, does not exceed the current maximum salary for the next highest title than that held by the person at retirement.

After the minimum (20- or 25-year) period for service retirement has expired, disability retirees in New York City are subject to the New York City Charter § 1117, which prohibits a

retiree from earning more than \$1,800 a year (including pension payments) in New York public service unless the retiree's disability pension is suspended during the time of such employment.

TRS:

The New York City Administrative Code (Volume 3, Title 13, Chapter 4, § 13-553) combined with the New York City Charter (§ 1117), prohibits a TRS disability retiree from earning more than \$1,800 a year (including pension payments) in New York public service, unless the retiree's disability pension is suspended during the time of such employment.

With regard to disability retirees of the five City retirement systems, waivers superseding the above provisions may not be granted.

Objective

The objective of this audit was to identify any New York City pensioners who may be illegally re-employed by New York State ("double-dippers" or "disability violators"), and to quantify the amounts of any improper payments to individuals who appear to be violators of RSSL § 211 and § 212, or New York City Charter § 1117, during calendar years 2001 (BERS and NYCERS) and 2002 (all five New York City Retirement Systems).

Scope and Methodology

Our audit period was January 1, 2001 through December 31, 2002. We met with officials of the five New York City retirement systems (TRS, POLICE, FIRE, BERS, and NYCERS) to review their monitoring processes for individual pensioners.

To determine the extent to which retired New York City employees were being improperly re-employed by New York State agencies, we asked the New York State Bureau of Payroll Audit (Office of the State Comptroller, Albany) to perform a computer match of the approximately 265,000 New York City pensioners against a listing of all New York State workers (approximately 250,000 annually) who received a W-2 wage statement for the years 2001 and 2002.¹ This matching process identified 730 individuals (478 in 2001 and 252 in 2002) under age 70 who received more than \$18,500 in 2001 or under age 65 who received more than \$20,000 in 2002 (service retirees), or \$1,800 in either year (disability retirees). We then sorted these lists by retirement system and investigated the reasons those individuals received a pension check and a payroll check concurrently.

Among the valid reasons individuals received both pension checks and payroll checks are the following: some had been granted waivers; some had their pensions suspended at the appropriate times; and some were not actually employed during 2001 or 2002, but instead received lump-sum payments for accrued vacation and sick leave or for having selected an early retirement program that provided subsequent cash payments in 2001 or 2002. Because of the

¹ This audit report is exclusive of the five separate audit reports of New York City pensioners working for New York City after their retirement in 2001 and 2002: the five audits of City workers are FL04-110A (BERS), FL04-111A (FIRE), FL04-112A (POLICE), FL04-113A (NYCERS), and FL04-114A (TRS).

magnitude of the task, we did not match the retirees against the other New York City, New York State, and local government employees paid by municipalities, counties, and systems other than those integrated with the State or FISA.

Of the 730 matches, 413 were individuals collecting POLICE pensions, 158 were individuals collecting NYCERS pensions, 133 were individuals collecting TRS pensions, 22 were individuals collecting FIRE pensions, and 4 were individuals collecting BERS pensions. For 730 matches from POLICE, NYCERS, TRS, FIRE, and BERS we obtained additional detailed information about their individual year 2001 and 2002 pension and payroll payments. We analyzed the timing, and, to some extent, the types of payments received. We verified the amounts shown on the computer match listing. In addition, we met with retirement system representatives, who assisted us in searching their files for waivers and other relevant information.

Initial investigations eliminated 681 of these 730 matches. The remaining 49 matches (49 individuals) appeared to lack valid reasons for being on both lists. Of the 44 individuals, 33 are service retirees and 11 are disability retirees. The total amount of improper pension payments is \$802,289 consisting of \$603,970 in improper pension payments to service retirees, and \$198,319 in improper pension payments to disability retirees.

The breakdowns for the five New York City retirement systems are as follows:

<u>Retirement System</u>	<u>Service Retirees</u>	<u>Disability Retirees</u>	<u>Total Retirees</u>	<u>Improper Pension Payments</u>
NYCERS	17	3	20	\$423,506
POLICE	8	7	15	275,592
TRS	7	0	7	51,942
FIRE	0	1	1	29,485
BERS	1	0	1	21,764
Total	<u>33</u>	<u>11</u>	<u>44</u>	<u>\$802,289</u>

For those retirees for whom we could find no evidence of a waiver or other acceptable alternative documentation, we calculated their apparent overpayments based on our analyses of when these re-employed pensioners reached the legal earnings limitations of \$18,500 (2001) or \$20,000 (2002) for service retirees, and \$1,800 for disability pensioners. The annuity portions of the pension payments, if any, that are not affected by RSSL § 211 or § 212, and New York City Charter § 1117, were not excluded; rather, they were estimated to be less than five percent of the total overpayments. The exact annuity portion for each individual, if any, can be determined only by retirement system officials.

In accordance with § 13-171, §13-202, § 13-302, and § 13-507 of the New York City Administrative Code, and § 2575 of the New York State Education Law, Boards of Trustees head TRS, POLICE, FIRE, BERS, and NYCERS. The Comptroller is one of the trustees of TRS, POLICE, FIRE, BERS, and NYCERS. The Comptroller sits on each of these Boards

through a designee. The Comptroller's designee was not involved in planning or conducting this audit, or in writing or reviewing the audit report.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of records and other auditing procedures that we considered necessary. The audit was performed in accordance with the City Comptroller's audit responsibilities as set forth in Chapter 5, § 93, of the New York City Charter.

Agency Responses

The matters covered in this report were discussed with officials of the five City retirement systems during and at the conclusion of this audit. A preliminary draft report was sent to officials of the five City retirement systems and discussed at an exit conference. On June 4, 2004, we submitted a draft report to the five City retirement systems with a request for comments. Each of the five retirement systems provided us with separate responses to a draft of our audit, which are summarized as follows:

NYCERS Response: On June 18, 2004, we received a response from the NYCERS Director of Benefit Disbursements, in which he described the actions NYCERS has taken to address the report's recommendations.

POLICE Response: On June 11, 2004, we received a response from the POLICE Executive Director, in which he described the actions POLICE has taken to address the report's recommendations.

TRS Response: On June 23, 2004, we received a response from the TRS Deputy Director, stating: "Please be advised that the Teachers' Retirement System (TRS) is in full compliance with all your recommendations."

BERS Response: On June 24, 2004, we received a response from BERS Executive Director, in which she described the actions BERS has taken to address the report's recommendations.

FIRE Response: On June 18, 2004, we received a response from the FIRE Chief Compliance Officer, in which he either agreed to implement or stated that FIRE was already in the process of implementing all four recommendations.

The full texts of these written responses are included as addenda to this report.

FINDINGS

Overpayment of Pension Benefits

This audit identified 44 individuals who received approximately \$802,000 in pension payments during 2001 and 2002 that appear to violate applicable sections of State and City laws. Five of the 44 individuals received improper pension payments in both 2001 and 2002. (See Appendices I through VIII for the agency summaries and detailed listings of the 44 pensioners and their current employers.)

As stated previously, we identified 44 pensioners who were in apparent violation of RSSL § 211 or § 212 because they were under the age 70 in 2001 or under age 65 in 2002 and received excess State wages above the limitations without having a waiver on file at one of the five City retirement systems, or were in violation of § 1117 of the New York City Charter because they were collecting disability pensions while earning more than \$1,800 (including pension payments) a year at a New York State agency and were past their applicable anniversary dates. These 44 individuals received improper pension payments of approximately \$802,000, as follows:

	<u>Number of Individuals</u>	<u>Total Improper Payments</u>
2001/2002 § 211/212 Violators	33	\$603,970
2001/2002 § 1117 Violators	<u>11</u>	<u>198,319</u>
Total	<u>44</u>	<u>\$802,289</u>

Our total represents the amount of improper 2001 and 2002 pension payments based on an analysis of when the re-employed pensioners reached the legal earnings limitations of (\$18,500 in 2001 and \$20,000 in 2002 for service retirees, and \$1,800 for disability pensioners). Allowances were made for those retirees who worked only part of that year. Moreover, the annuity portions of the pension payments, if any, that are not affected by RSSL § 211 or § 212, were not excluded; rather, they were estimated to be less than five percent of the total calculated payments. The exact annuity portion, if any, for each individual can be determined only by City retirement systems officials. Immediate action by the five City retirement systems and employing State agencies is needed to investigate and recoup, when appropriate, any improper payments made to those retirees identified as possible “double-dippers.” (The applicable employing agencies involved in this audit appear in Appendix VII.)

The following is an example of a NYCERS service retiree who was found to be working at a State agency for the whole of calendar year 2001:

CASE #1: A Transit Police Officer who retired from the Transit Authority in May 1990, collected 12 pension checks (one each month) in calendar year 2001 totaling \$74,110. He worked as an Associate Professor for John Jay College for all of 2001 (January through December) and collected a salary

of \$71,621. We found no evidence of a waiver for him for any portion of calendar year 2001. On April 5, 2001, his year 2001 cumulative salary earnings exceeded the \$18,500 limit for service retirees. Therefore, it appears that eight pension checks (May through December 2001) totaling \$49,436 may have been improperly received and cashed in calendar year 2001.

The following is an example of a BERS service retiree who was found to be working at a State agency during calendar year 2001:

CASE #2: A Senior Project Engineer who retired in December 1999 collected 12 pension checks (one each month) in calendar year 2001 totaling \$65,302. He worked as an Associate Facilities Program Coordinator eight months in 2001 (January through May and July, August and October) and collected a salary of \$40,524. We found no evidence of a waiver for him for any portion of calendar year 2001. On April 11, 2001, his year 2001 cumulative salary earnings exceeded the \$18,500 limit for service retirees. Therefore, it appears that four pension checks (September through December 2001) totaling \$21,764 may have been improperly received and cashed in calendar year 2001.

The following is an example of a TRS service retiree who was found to be working at a State agency during calendar year 2002:

CASE #3: A Special Education Teacher who retired in July 1996 collected 12 pension checks (one each month) in calendar year 2002 totaling \$53,228. He worked as a Assistant Professor for the State University of New York Empire State College for all of 2002 (January through December) and collected a salary of \$38,862. We found no evidence of a waiver for him for any portion of calendar year 2002. On July 17, 2002, his year 2002 cumulative salary earnings exceeded the \$20,000 limit for service retirees. Therefore, it appears that five pension checks (August through December 2002) totaling \$21,648 may have been improperly received and cashed in calendar year 2002.

The following is an example of a POLICE disability retiree who was found to be working at a State agency for the whole of calendar year 2002:

CASE #4: A Lieutenant who retired in October 1982 on a disability pension, collected 12 pension checks (one each month) in calendar year 2002, totaling \$41,610. He worked as an Activity Specialist for the Office of Parks, Recreation and Historic Preservation Long Island Park Commission for all of 2002 (January through December) and collected a salary of \$12,527. He began working for the Police Department in 1961, and therefore, cannot qualify for the "Disability Safeguards" provisions beyond 1981. Accordingly, any earnings above the \$1,800 for 2002 make

the disability pension payments for that year improper. Thus, it appears that 11 months of disability checks (February through December 2002), totaling \$38,147 may have been improperly received and cashed in 2002.

The following is an example of a FIRE disability retiree who was found to be working at a State agency for the whole of calendar year 2002:

CASE #5: A Lieutenant who retired in October 1979 on a disability pension, collected 12 pension checks (one each month) in calendar year 2002, totaling \$32,171. He worked as a Lecturer for the State University College at Farmingdale for all of 2002 (January through December) and collected a salary of \$3,934. He began working for the Fire Department in 1977, and therefore, cannot qualify for the "Disability Safeguards" provisions beyond 1997. Accordingly, any earnings above the \$1,800 for 2002 make the disability pension payments for that year improper. Thus, it appears that 11 months of disability checks (February through December 2002), totaling \$29,485 may have been improperly received and cashed in 2002.

RECOMMENDATIONS

Officials of the five New York City retirement systems should:

1. Investigate those individuals identified as concurrently receiving pensions while being re-employed in New York State public service. City retirement system officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

Agency Responses: POLICE, TRS, BERS and FIRE agreed with this recommendation.

The NYCERS Director of Benefit Disbursements stated:

"We have investigated all pensioners cited and determined that of the twenty eight (28) pensioners named, twenty one (21) were in violation of §211 and §212 of the RSSL, 13-171 of the NYC Administrative Code or § 1117 of the NYC Charter. In all twenty one (21) cases the overpayments are in the process of being recouped."

2. Forward to the Department of Investigation, if the circumstances warrant such action, the names of those individuals found to be illegally collecting pensions.

Agency Responses: POLICE, NYCERS, TRS and FIRE agreed with this recommendation. BERS did not respond to this recommendation.

3. Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”

Agency Responses: POLICE, TRS and FIRE agreed with this recommendation. NYCERS and BERS did not respond to this recommendation.

4. Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service re-employment.

Agency Responses: POLICE, NYCERS, TRS, BERS and FIRE agreed with this recommendation.

APPENDIX I

SUMMARY OF 2001 OVERPAYMENTS

	<u>SERVICE</u>				<u>DISABILITY</u>				<u>TOTAL</u>			
	Persons		Amount		Persons		Amount		Persons		Amount	
NYCERS	15		293,283		1		1,434		16		294,717	
BERS	1		21,764		0		0		1		21,764	
SUBTOTAL	16		\$315,047		1		\$1,434		17		\$316,481	

SUMMARY OF 2002 OVERPAYMENTS

	<u>SERVICE</u>			<u>DISABILITY</u>			<u>TOTAL</u>				
	Persons		Amount		Persons		Amount		Persons		Amount
POLICE	8		120,954		7		154,638		15		275,592
NYCERS	7		116,027		2		12,762		9		128,789
TEACHERS	7		51,942		0		0		7		51,942
FIRE	0		0		1		29,485		1		29,485
SUBTOTAL	<u>22</u>		<u>\$288,923</u>		<u>10</u>		<u>\$196,885</u>		<u>32</u>		<u>\$485,808</u>
TOTAL	<u>38</u>		<u>\$603,970</u>		<u>11</u>		<u>\$198,319</u>		<u>49</u>		<u>\$802,289</u>

**APPENDIX II
EXHIBIT A**

**PENSION OVERPAYMENTS - NYC EMPLOYEES' RETIREMENT SYSTEM
2001 MATCHES (LACK OF WAIVERS)**

Pension Number		Date Retired	2001 Pension	Months Overpaid	Amount Overpaid	2001 Employer	Payroll Code	2001 Salary	Waiver Issuing Agency	Waiver in 2001
Case #1	N-190523-0	05/11/90	\$ 74,110	8	\$ 49,436	JOHN JAY COLLEGE	70060/70061	\$ 71,621	CUNY	NO
	N-209733-0	03/24/94	52,323	10	43,618	COURT ADMIN - FIN	5609	125,894	NYS-NYC	NO
	N-232705-0	11/14/00	58,060	9	40,912	COURT ADMIN	5007	96,295	NYS-NYC	NO
	N-229507-0	02/06/99	42,852	9	32,139	ASSEMBLY	4220	79,500	NYSCSC	NO
	N-165028-0	01/03/86	24,421	9	18,338	SUNY DOWNSTATE	28108	76,142	SUNY	NO
	N-226760-0	04/01/98	43,970	5	18,321	DEPT OF TRANS	17000	34,573	NYSCSC	NO
	N-166724-0	04/13/86	23,589	9	17,714	SUNY STONY BROOK	28050	73,763	SUNY	NO
	N-207446-0	09/01/93	50,619	4	16,933	SENATE SPECIAL	4002/4001	27,889	NYSCSC	NO
	N-165294-0	02/15/86	22,384	4	7,521	YORK COLLEGE	70080	63,720	CUNY	4/20/99 - 4/19/01
	N-195055-0	02/06/91	23,473	7	13,692	MEDICAID FRAUD	3020	48,204	NYSCSC	NO
	N-232468-0	09/25/00	24,434	5	10,469	MANHATTAN PSYCH	50080	40,072	NYSCSC	NO
	N-231102-0	01/02/00	41,237	3	10,309	SUNY STONY BROOK	28050	27,455	SUNY	NO
	N-228650-0	02/12/99	40,051	2	6,675	DEPT OF TRANS	17100	25,379	NYSCSC	NO
	N-313618-0	12/31/99	8,423	1	4,212	HEALTH SCIENCE	28100	158,320	SUNY	NO
	N-313500-0	12/31/99	35,907	1	2,992	LEHMAN COLLEGE	70071/70070	19,737	SUNY	NO

Total: \$ 293,283

**APPENDIX II
EXHIBIT A**

**PENSION OVERPAYMENTS - NYC EMPLOYEES' RETIREMENT SYSTEM
2001 MATCHES (LACK OF WAIVERS)**

NOTES:

ASSEMBLY
COURT ADMIN
COURT ADMIN - FIN
DEPT OF TRANS
HEALTH SCIENCE
MANHATTAN PSYCH
MEDICAID FRAUD
SENATE SPECIAL
SUNY DOWNSTATE
SUNY STONY BROOK

Assembly Members
Office of Court Administration
Office of Court Administration - Financial Management / Payroll Division
Department of Transportation
State University of New York - Health Science Center at Brooklyn
Office of Mental Health - Manhattan Psychiatric Center
Department of Law - Medicaid Fraud Control
Senate Special Annual Payroll
State University of New York - SUNY Downstate Medical at Brooklyn
State University of New York at Stony Brook

CUNY
NYSCSC
NYS-NYC
SUNY

Board of Higher Education, City University of New York
New York State Civil Service Commission
Administrator of Courts
State University of New York

**APPENDIX II
EXHIBIT B**

**PENSION OVERPAYMENTS - NYC EMPLOYEES' RETIREMENT SYSTEM
2001 MATCHES (DISABILITY RETIREES)**

Pension Number	Date Retired	2001 Pension	Months Overpaid	Amount Overpaid	2001 Employer	Payroll Code	2001 Salary	Appointment Year
N-141914-0	10/30/81	\$ 17,038	1	\$ 1,434	DIV OF MILIT	1072	\$ 2,181	1976

Total: \$ 1,434

NOTES:

DIV OF MILIT

Division of Military & Naval Affairs

APPENDIX III

PENSION OVERPAYMENTS - NYC BOARD OF EDUCATION RETIREMENT SYSTEM (BERS)
2001 STATE MATCHES (LACK OF WAIVERS)

Pension Number	Date Retired	2001 Pension	Months Overpaid	Amount Overpaid	2001 Employer	Payroll Code	2001 Salary	Waiver Issuing Agency	Waiver in 2001
Case #2 E-015509-0	12/31/99	\$ 65,302	4	\$ 21,764	SUNY AT STON	28050	\$ 40,524	SUNY	No

Total: \$ 21,764

NOTES:

SUNY AT STON State University of New York at Stony Brook

SUNY State University of New York

APPENDIX IV

PENSION OVERPAYMENTS - NYC TEACHERS' RETIREMENT SYSTEM
2002 STATE MATCHES (LACK OF WAIVERS)

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary	Waiver Issuing Agency	Waiver in 2002
Case # 3 ^ T-796218-0	07/03/96	\$53,228	5	\$21,648	SUNY EMPIRE	28280	\$38,862	SUNY	No
* T-790384-0	07/11/95	39,784	3	11,401	QUEENS COLL ADJ	70041	28,660	CUNY	No
					YORK COLLEGE ADJ	70081			
					DEPT OF EDUCATION	747		BOEC	
T-797048-0	07/18/96	57,568	1	4,707	QUEENS COLL ADJ	70041	22,012	CUNY	No
					BKLYN COLLEGE ADJ	70011			
					CITY COLLEGE ADJ	70021			
					DEPT OF EDUCATION	746		BOEC	
U-709752-0	07/01/01	49,761	1	4,138	ASSEMBLY ANNUAL P/T	4022	21,808	NYSCSC	No
					DEPT OF EDUCATION	746		BOEC	
U-713298-0	05/05/90	19,377	2	3,874	DEPARTMENT OF LAW	3000	81,401	NYSCSC	No
T-794856-0	08/22/95	39,809	1	3,220	COLL OF SI ADJ	70101	22,153	CUNY	No
T-798187-0	06/16/95	36,047	1	2,954	CUNY MGNT PRGM ADJ	70001	21,028	CUNY	No

Total: \$ 51,942

NOTES:

ASSEMBLY ANNUAL P/T Assembly Annual Part Time
BKLYN COLLEGE ADJ City University of New York Brooklyn College Adjunct
CITY COLLEGE ADJ City University of New York City College Adjunct
COLL OF SI ADJ City University of New York College of Staten Island Adjunct
CUNY MGNT PRGM ADJ City University of New York Management & Programs Adjunct
DEPT OF EDUCATION New York City Department of Education
QUEENS COLL ADJ City University of New York Queens College Adjunct
SUNY EMPIRE State University of New York Empire State College
YORK COLLEGE ADJ City University of New York York College Adjunct

BOEC Board of Education, Chancellor's Office
CUNY City University of New York
NYSCSC New York State Civil Service Commission
SUNY State University of New York

^

This individual was also cited in our prior audit 2001.

*

This individual was also cited in our prior audits for 1996,1997, 1999, 2000, and 2001.

APPENDIX V
EXHIBIT A

PENSION OVERPAYMENTS - NYC POLICE DEPARTMENT PENSION FUND
2002 STATE MATCHES (LACK OF WAIVERS)

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary	Waiver Issuing Agency	Waiver in 2002
*** P-040653-0	04/09/93	54,821	8	25,872	CITY COLLEGE	70020	90,022	CUNY	No
P-041233-0	09/26/93	26,574	9	19,926	STATE INSP GEN	21700	86,961	NYSCSC	No
P-044322-0	09/30/96	39,698	6	19,848	INSURANCE DEPT	13000	44,130	NYSCSC	No
P-038763-0	12/15/90	25,064	9	18,807	ASSEMBLY	4220	79,500	NYSCSC	No
P-036505-0	07/06/89	40,783	5	17,025	HEALTH SCIENCE	28100	124,299	SUNY	5/13/00 - 5/12/02
**** P-035291-0	07/08/88	27,727	6	13,875	LEHMAN COLLEGE	70070	64,879	CUNY	12/01/02-12/31/02
** P-018701-0	06/28/81	4,848	9	3,636	OFF OF GEN SERV	1050	101,051	NYSCSC	No
P-026286-0	08/02/85	23,643	1	1,965	GRADUATE COLL	70090	62,885	CUNY	7/1/02 - 6/30/04

Total: \$ 120,954

NOTES:

ASSEMBLY	Assembly Members
GRADUATE COLL	City University of New York Graduate College
HEALTH SCIENCE	State University of New York Health Science Center at Brooklyn
INSURANCE DEPT	Insurance Department
OFF OF GEN SERV	Office of General Services
STATE INSP GEN	Office of State Inspector General

CUNY	City University of New York
NYSCSC	New York State Civil Service Commission
SUNY	State University of New York

** This individual was also cited in our prior audit (for 1994, and 2001)

*** This individual was also cited in our prior audit (for 1998, and 1999)

**** This individual was also cited in our prior audit (for 1998)

**APPENDIX V
EXHIBIT B**

**PENSION OVERPAYMENTS - NYC POLICE DEPARTMENT PENSION FUND
2002 STATE MATCHES (DISABILITY RETIREES)**

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary	Appointment Year
Case #4 * P-021976-0	10/20/82	\$ 41,610	11	\$ 38,147	LONG ISLAND	49220	\$ 12,527	1961
P-050064-0	12/31/01	134,920	2	35,260	SUNY EMPIRE	28280	7,675	1962
*** P-022920-0	07/04/83	30,312	11	27,791	PALISADES INTST	49059	31,304	1971
P-010350-0	02/15/75	29,265	11	26,830	NASSAU CO PA	5519	127,108	1967
					QUEENS COLL ADJ	70041		
< P-038298-0	08/17/90	41,417	4	13,784	DIV OF MILIT	1072	36,873	1969
** P-020114-0	11/06/81	17,666	8	11,792	SUNY CENTRAL	28650	60,449	1968
**** P-009037-0	09/12/73	12,460	1	1,034	STONYBROOK	28058	11,033	1966

Subtotal: \$ 154,638

NOTES:

DIV OF MILT	Division of Military and Naval Affairs
LONG ISLAND	Office of Park & Recreation, Long Island Park Commission
NASSAU CO PA	Office of Court Administration, Nassau County Supreme Court
PALISADES INTST	Office of Park & Recreation, Palisades Interstate Park Commission
QUEENS COLL ADJ	CUNY Queens College Adjunct
STONY BROOK	SUNY at Stony Brook
SUNY CENTRAL	SUNY System Administration
SUNY EMPIRE	State University of New York - Empire State College

*	This individual was also cited in our prior audits (for 1993, 1994, 1995, 1996, 1997, 1998, 2000 and 2001)
**	This individual was also cited in our prior audits (for 1993, 1994, 1995, and 1996)
***	This individual was also cited in our prior audits (for 1995, 1996, 1997 and 2001)
****	This individual was also cited in our prior audits (for 1994 and 1998)
<	This individual was also cited in our prior audits (for 2001)

**APPENDIX VI
EXHIBIT A**

**PENSION OVERPAYMENTS - NYC EMPLOYEES' RETIREMENT SYSTEM
2002 MATCHES (LACK OF WAIVERS)**

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary	Waiver Issuing Agency	Waiver in 2002
* N-229507-0	02/06/99	\$ 42,852	9	\$ 32,139	ASSEMBLY	4220	\$ 79,500	NYSCSC	NO
N-226457-0	01/30/98	48,339	6	24,168	DIV OF MILIT	1071/1072	52,327	NYSCSC	NO
* N-232705-0	11/14/00	54,549	5	22,725	COURT ADMIN	5007	58,655	NYS-NYC	NO
* N-166724-0	04/13/86	23,829	3	5,942	SUNY STONY BROOK	28050	79,924	SUNY	7/1/02 - 7/31/04
* N-231102-0	01/02/00	41,486	5	17,215	SUNY STONY BROOK	28050	35,743	SUNY	NO
N-313002-0	10/05/99	22,219	6	11,106	OCFS	25000	43,724	NYSCSC	NO
* N-313618-0	12/31/99	11,156	1	2,732	HEALTH SCIENCE	28100	170,989	CUNY	NO

Total: \$ 116,027

NOTES:

ASSEMBLY	Assembly Members
COURT ADMIN	Office of Court Administration
DIV OF MILIT	Div of Military & Naval Affairs
HEALTH SCIENCE	State University of New York - Health Science Center at Brooklyn
OCFS	Office of Children and Family Service
SUNY STONY BROOK	State University of New York at Stony Brook
 CUNY	 City University of New York
NYSCSC	New York State Civil Service Commission
SUNY	State University of New York

* This individual was also cited in our prior audit (for 2001)

APPENDIX VI
EXHIBIT B

PENSION OVERPAYMENTS - NYC EMPLOYEES' RETIREMENT SYSTEM
2002 MATCHES (DISABILITY RETIREES)

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary	Appointment Year
N-121106-0	05/01/78	\$ 27,153	5	\$ 11,315	CITY COLLEGE ADJ	70021	\$ 29,404	1970
N-130741-0	12/01/79	17,250	1	1,447	SUNY STONY BROOK	28052	7,644	1996

Total: \$ 12,762

NOTES:

CITY COLLEGE ADJ
SUNY STONY BROOK

City College Adjunct
State University of New York at Stony Brook

APPENDIX VII

PENSION OVERPAYMENTS - NYC FIRE DEPARTMENT PENSION FUND
2002 STATE MATCHES (DISABILITY RETIREES)

Pension Number	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	Payroll Code	2002 Salary
Case # 5 * R-007343	10/8/79	\$ 32,171	11	\$ 29,485	SUNY FARMINGDALE	28390	\$ 3,934

Total: \$ 29,485

NOTES:

SUNY FARMINGDALE State University of New York College of Technology at Farmingdale

* This individual was also cited in our prior audits for 2000 and 2001.

RE-EMPLOYED NYC PENSIONERS
TOTAL BY CURRENT EMPLOYER

<u>Current State Employer</u>	<u>Payroll Code</u>	BERS	NYCERS		TRS	POLICE	FIRE	TOTAL
		2001	2001	2002	2002	2002	2002	
Assembly Members/Assembly Annual Part-Time	4220/4022		1	1	1	1		4
CUNY Brooklyn College/Adjunct	70010/70011				1	0		1
CUNY City College/Adjunct	70020/70021/ 70121			1	1	1		3
CUNY College of Staten Island Adjunct	70101				1			1
CUNY Graduate College	70090					1		1
CUNY John Jay College/Adjunct	70060/70061		1					1
CUNY Lehman College	70070/70071		1			1		2
CUNY Management & Programs Adjunct	70001				1			1
CUNY Queens College Adjunct	70041				2	1		3
CUNY York College/Adjunct	70080/70081		1		1			2
Department of Education	746/747				3			3
Department of Law - Medicaid Fraud Control	3000/3020		1		1			2
Department of Transportation	17000/17100		2					2
Division of Military & Naval Affairs	1071/1072		1	1		1		3
Insurance Department	13000					1		1
Office of Children and Family Services	25000			1				1
Office of Court Administration	5519/5597/ 5609/5007		2	1		1		4
Office of General Services	1050					1		1
Office of Mental Health - Manhattan Psychiatric Center	50080		1					1
Office of Parks & Recreation	49059/49220					2		2
Office of State Inspt. General	21700					1		1
Senate Special Annual Payroll	4002		1					1
SUNY Downstate Medical at Brooklyn	28108		1					1
SUNY - Empire State College	28280				1	1		2
SUNY at Farmingdale	28390						1	1
SUNY Health Science Center at Brooklyn	28100		1	1		1		3
SUNY at Stony Brook	28052/28058	1	2	3		1		7
SUNY System Administration	28650					1		1
Total:		1	16	9	13	16	1	56

NYCERS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

MAIL ONLY:
335 ADAMS STREET,
SUITE 2300
BROOKLYN, NY 11201-3751

ALL OTHER SERVICES:
340 JAY STREET,
MEZZANINE LEVEL
BROOKLYN, NY 11201-3751

TEL: (347) 643-3000

EXECUTIVE DIRECTOR: JOHN J. MURPHY

RETIREMENT AND BENEFITS

Greg Brooks
Deputy Comptroller
Office of the Comptroller
1 Centre Street
New York, N.Y. 10007-2341

June 18, 2004
Audit Reports: FL04-113A,
FL04-115A, FL04-148A

Dear Mr. Brooks,

This is in response to your request regarding the progress this office has made in implementing the recommendations contained in the above-mentioned Audit Reports.

We have investigated all pensioners cited and determined that of the twenty eight (28) pensioners named, twenty one (21) were in violation of §211 and §212 of the RSSL, 13-171 of the NYC Administrative Code or §1117 of the NYC Charter. In all twenty one (21) cases the overpayments are in the process of being recouped. One pensioner cited has been referred to Corporation Counsel for an opinion regarding disability retirees re-employed as a consultant. Attached are our detailed responses for each pensioner by audit report.

NYCERS will refer all cases to the Department of Investigation that involve individuals who continuously and knowingly violate RSSL §211 or §212, NYC Administrative Code Sec 13-171 or NYC Charter §1117. A special notice regarding re-employment after retirement is sent to our pensioners each year in September.

As part of our audit plan, NYCERS suspends the retirement allowance when the pensioner exceeds the earnings limitation as set forth in §211 and §212 of the RSSL, 13-171 of the NYC Administrative Code or §1117 of the NYC Charter. Our present monitoring program includes New York City payroll and Public Benefit Corporations. NYCERS receives New York State payroll information from your office.

Of the twenty eight (28) pensioners named eighteen (18) were retirees working for the State of New York. To prevent or minimize pension overpayments for re-employed retirees working for the State it is necessary that we have the required payroll information on a regular basis, not at the time the audit is in progress. By the time we are notified of violations a year or so has passed, which could translate into large overpayments. Before the State implemented their new payroll system, PAYSR, we would receive "non-member" payroll information from the bi-weekly payroll tapes. This non-member information was very helpful in isolating and preventing overpayments. Since their payroll conversion the State has been very reluctant in supplying this information.

It is NYCERS responsibility, and Comptrollers as custodian of the fund, to minimize if not eliminate pension overpayments all together. To attain that goal I am requesting your services and influence in attaining New York State payroll information on a regular basis. It is in our best interest, as I believe it is with the State, to share this limited information with one another.

Very truly yours,


Andrew N. Feneck

Director, Benefit Disbursements

cc: John Murphy
Milton Aron
Karl Bloom

NYCERS

RETIREMENT AND BENEFITS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
MAIL ONLY: 339 ADAMS STREET, SUITE 2300, BROOKLYN, NY 11201-3751
ALL OTHER SERVICES: 340 JAY STREET, MEZZANINE LEVEL, BROOKLYN, NY 11201-3751
TEL: (347) 643-3000
EXECUTIVE DIRECTOR: JOHN J. MURPHY

MEMORANDUM

To: Andrew Feneck, Karl Bloom

From: Salwa Boutros

Date: 6/15/04

Subject: NYCERS follow up to Comptroller's Report # FL04-115A

The following report contains our investigation of those pensioners identified as being re-employed with the State of New York.
FL04-115A

Year 2001 and 2002 NY State Matches (Lack of Waivers)

1-Service retirees working for New York State

P# 190523

retired from NYCTA (PBC). He is working with City University of New York (City Agency). Therefore, his earnings are unlimited. Please see attached. +

P# 209733

retired from Department of Building. He was overpaid from March 2001 to December 2001. Therefore, his pension allowance will be suspended for 10 months starting 6/2004.

P# 232705

retired from Office of Labor Relations. She was overpaid from April 2001 to December 2001. Therefore, her pension allowance will be suspended for 9 months starting 6/2004.

P# 229507

retired from NYC Transit. He was overpaid from April 2001 to December 2001. Therefore, his pension allowance will be suspended for 9 months starting 6/2004.

P# 165028

was granted a Sec.211 waiver for the period 01/01/2000 to 12/31/2001. Therefore, his earnings are unlimited. Please see attached. +

P# 226760

retired from NYC Transit. He was overpaid from September 2001 to December 2001. Therefore, his pension allowance will be suspended for 4 months starting 6/2004.

P# 166724
[REDACTED] retired from NYC Transit. He was overpaid from April 2001 to December 2001. Therefore, his pension allowance will be suspended for 9 months starting 6/2004.

P# 207446
[REDACTED] was granted a Sec.211 waiver for the period 01/01/2000 to 12/31/2001. Therefore, his earning is unlimited. See copy attached. ✕

P# 165294
[REDACTED] retired from NYCTA (PBC). He is working with City University of NY (City Agency). Therefore, his earnings are unlimited. See copy attached. ✕

P# 195055
[REDACTED] retired from NYC Transit. He was overpaid from June 2001 to December 2001. Therefore, his pension allowance will be suspended for 7 months starting 6/2004.

P# 232468
[REDACTED] retired from Department of Correction. He was overpaid from June 2001 to December 2001. Therefore, his pension allowance will be suspended for 6 months starting 6/2004.

P# 231102
[REDACTED] retired from Department of Social Services. He was overpaid from September 2001 to December 2001. Therefore, his pension allowance will be suspended for 3 months starting 6/2004.

P# 228650
[REDACTED] retired from NYC Transit. He was overpaid from November 2001 to December 2001. Therefore, his pension allowance will be suspended for 2 months starting 6/2004.

P# 313618
[REDACTED] exceeded the limitations in February 2001. NYCERS recovered the overpayment by suspending his pension which started 3/2001 to 12/2001. Please see copy attached. ✕

P# 313500
[REDACTED] exceeded the limitations in September, 2001. Therefore his pension allowance will be suspended for 1 month starting 6/2004.

2-2001 Disability Retirees:

P#141914

retired from the Dept. of Sanitation in 1981 and he is subject to Sec.1117.
He was overpaid for one month. We will recover the overpayment June 2004.

3- 2002 Disability Retirees:

P#121106

retired from Dept. of Correction in 1978 and is subject to Sec.1117. He
exceeded the earning limitation in the month of May 2002 and was overpaid for 7 months.
We will recover the overpayment starting from June 2004.

P#130741

retired from NYCTA in 1979 and he is subject to sec.1117. He exceeded
the limitation in the month of August 2002 and was overpaid for 4 months. We will
recover the overpayment starting from June 2004.



New York City Police Pension Fund

233 BROADWAY
NEW YORK, NEW YORK 10279
(212) 693-5100

Executive Director-Michael D. Wolsome

June 11, 2004

Greg Brooks
Deputy Comptroller
Policy, Audits, Accountancy & Contracts
1 Centre Street
New York, NY 10007-2341

Re: Audit Report on New York City
Pensioners working for New York
State Retirement the calendar years
January 1, 2002 – December 31, 2002
FL04-115A

Dear Mr. Brooks:

In regards to the above referenced audit report, the following status report is forwarded.

Recommendation #1

Investigate those individuals identified as concurrently receiving pensions while being re-employed in New York State public service. City retirement system officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

Response

The Police Pension Fund is in total agreement that recoupment of pension benefits received in violation of the law should be commenced immediately. It should be noted, however, that this Retirement System does not exercise control over its Pension payroll data tape. We are requesting that the Comptrollers Office, as custodian of Police Pension payroll records, supply a list to my Office on a semi-annual basis of all retirees found to be "double-dipping." This will afford the Police Pension Fund an opportunity to fully investigate all identified violators on a timely basis.

-2-

Regarding the 20 retirees listed by the Comptrollers Office in the May 24, 2004 audit report as possible violators, the Police Pension Fund will investigate all members in question to determine if they are in violation of Section 1117 of the New York City Charter. Those in violation will be given the opportunity to obtain retro-active 211 waivers, as the current law dictates. Should such approval be denied, the Police Pension Fund will recover all pension moneys received from the period in question.

Recommendation #2

Forward to the Department of Investigation, if the circumstances warrant such action, the names of those individuals found to be illegally collecting pensions.

Response

The Police Pension Fund concurs with recommendation #2, however, no retiree investigated was deemed appropriate for such a referral.

Recommendation #3

Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as "double-dippers" or "disability violators."

Response

The Police Pension Fund has in the past and will continue to suspend or reduce the pension benefit of all identified service or vested interest retirees who elect to continue employment with the City of New York without the benefit of Section 211. Additionally, as noted in our response to previous audits, this fund has recovered over six hundred thousand dollars from members of this System identified as violators of these statutes.

-3-

Recommendation #4

Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service re-employment.

Response

Upon retirement, each member receives the restrictions on employment after retirement in a special handout. In 2001, a letter outlining this policy was prepared and mailed to all retirees and a new letter will be mailed out this fall. In addition, the Police Pension Fund's website provides a special reminder to all retirees with access to the internet and this topic is covered in depth in all retirement seminars conducted by Police Pension Fund personnel as well as in the plan summary description provided to all members.

I hope this response will aid in the development of a program to insure the integrity of all City Retirement Systems.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Welsome", with a stylized flourish at the end.

Michael D. Welsome
Executive Director
Police Pension Fund

MDW:hdm



TEACHERS' RETIREMENT BOARD
TEACHERS' RETIREMENT SYSTEM
55 Water Street, New York, N.Y. 10041

June 23, 2004

Greg Brooks
Deputy Comptroller Policy Audit Accountancy and Contracts
Bureau of Audit
1 Centre Street Room 500
New York, NY 10007-2341

RE: Audit Report on NYC Teachers' Retirement System
Pedagogical Pensioners Working for the State
January 1, 2002 to December 31, 2002
FL 04-115A

Dear Mr. Brooks,

We are in receipt of the above referenced draft audit report on re-employment of "New York City Pensioners Working for New York State after Retirement," for the period of January 1, 2002 through December 31, 2002. The twenty one pensioners, identified as currently receiving a pension benefit while re-employed in public service with the State of New York has been fully investigated. We are in the process of recouping the overpayments.

Please be advised that the Teachers' Retirement System (TRS) is in full compliance with all your recommendations. Attached, please find a TRS updated status report, which describes the types of action that will be taken by TRS.

Again, as part of the TRS original audit plan, it is customary for the TRS to suspend a member's pension allowance when that member exceeds his/her earnings after the limitation as cited under section RSSL 212, RSSL 211, or NYC Chapter 1117 in an appropriate and timely fashion. TRS will continue its vigilance in seeking total adherence to the existing laws. In conclusion, we would like to acknowledge the efforts to comply where feasible.

If you have any further questions regarding this status report, please feel free to contact me at 1 (212) 612-5503.

Sincerely,

A handwritten signature in black ink, appearing to read "Stan Charles", written over a horizontal line.

Stan Charles, Deputy Director
Internal Audit Division

CC: N. Serrano, P. Raucci, A. Scully, and M. Mullany

PENSION OVERPAYMENTS - NYC TEACHERS' RETIREMENT SYSTEM
STATE 2002 MATCHES (LACK OF WAIVERS)

Seq #	S.S.#	Name	Pension #	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	OTC Salary	TRS Salary	TRS Response / Findings	211 Waiver on File	Status
1	[REDACTED]	[REDACTED]	T798187-0	06/16/95	\$36,047	1 Lump Sum	\$2,954 + 1,028	CUNY MAN ADJ	21,028	0	Exceeded No Reported Wages on UPS Warning Letter sent *OTC salary \$21,028	N	Exceed
2	[REDACTED]	[REDACTED]	U704536-0	01/28/00	47,255	2 Lump Sum	7,761 + 7,052	CUNY NYC ADJ CUNY RETIREM	27,052	0	Exceeded No Reported Wages on UPS Warning Letter sent Mbr. Called 6/16/04 to claim she did not exceed. Waiting for feedback. *OTC salary \$27,052	N	Exceed
3	[REDACTED]	[REDACTED]	T797048-0	07/18/96	57,568	1 Lump Sum	4,707 + 2,012	QUEENS COLL ADJ BKLYN COLL ADJ CITY COLL ADJ DOE	18,295 3,717	2834	Exceeded As per TRS record, member did not exceed Reported wages \$2834.84 Mbr. will make a lump sum payment. Overpay letter to be mailed. * OTC salary \$22,012	N	Pending
4	[REDACTED]	[REDACTED]	U709752-0	07/01/01	\$40,761	1 Lump Sum	\$4,138 + 1,808	ASSEMBLY ANN DOE	\$21,515 293	\$88.98	Exceeded As per TRS record, member did not exceed Reported wages \$88.98 * OTC salary \$21,808	N	Exceed
5	[REDACTED]	[REDACTED]	U704422-0	01/28/00	68,901	None	0.00	CUNY RETIREM COLL OF SI ADJ	24,436	11,757	Not exceed TRS record reported wages \$11757.92 Warning letter sent Doc. submitted. Returned incentive of \$14,571 * OTC salary \$24,436	N	O.K.
6	[REDACTED]	[REDACTED]	T797075-0	07/01/96	29,542	None	0.00	CITY COLL ADJ BARUCH COLL ADJ	31,639	0	Not exceed No reported wages on UPS 211 waiver for 2001 211 waiver for 2002 on file Warning Letter was sent in error. * OTC salary \$31,639	Y	O.K.
7	[REDACTED]	[REDACTED]	U704220-0	01/28/00	50,089	4 Lump Sum	16,227 + 6,890	JOHN JAY ADJ CUNY RETIREM	26,890	0	Exceeded No Reported Wages on UPS Warning Letter sent Mbr. called 6/14/04 to request additional time to respond to correspondence. *OTC salary \$26,890	N	Pending
8	[REDACTED]	[REDACTED]	T794856-0	08/22/95	30,809	1 Lump Sum	3,230 + 2,153	COLL OF SI ADJ	22,153	0	Exceeded No Reported Wages on UPS Warning Letter sent * OTC salary \$22,153	N	Exceed
9	[REDACTED]	[REDACTED]	U704626-0	01/28/00	50,187	None	0.00	COLL OF SI ADJ CUNY RETIREM	34,595	0	Not exceed No reported wages Warning Letter sent Doc. submitted. Incentive pay of \$16,361 * OTC salary \$34,595	N	O.K.



* Lump sum payment option
** JA15 letters were sent 6/9/04
*** Pending - In the process of making lump sum payments

- 1 -
Internal Audit Division

6/23/2004

PENSION OVERPAYMENTS - NYC TEACHERS' RETIREMENT SYSTEM
STATE 2002 MATCHES (LACK OF WAIVERS)

Seq #	S.S.#	Name	Pension #	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	OTC Salary	TRS Salary	TRS Response / Findings	211 Waiver on File	Status
10	[REDACTED]	[REDACTED]	U705688-0	10/01/00	57,027	None	0.00	QUEENS COLL ADJ MEDGAR ADJ	32,755	0	Not exceed No Reported Wages on UPS Warning Letter sent 211 on file. * OTC salary \$32,755	Y	O.K.
11	[REDACTED]	[REDACTED]	U706218-0	07/03/96	53,228	5 Lump Sum	21,648 * 18,682	SUNY EMPIRE	38,682	0	Exceeded No Reported Wages on UPS Warning Letter sent * OTC salary \$38,682	N	Exceed
12	[REDACTED]	[REDACTED]	U703143-0	07/01/99	56,376	None	0.00	DOE SUCAT CORTL	6,537 18,014	\$5905	Not exceed As per TRS record member did not exceed 211 waiver for 10/01 - 06/02 on file * OTC salary \$24,551	Y	O.K.
14	[REDACTED]	[REDACTED]	U704236-0	01/28/00	67,573	6 Lump Sum	32,175 * 13,475	BKLYN COLL ADJ CUNY RETIRED BKLYN COLL ADJ	33,475	0	Exceeded No Reported Wages on UPS Warning Letter sent * OTC salary \$33,475	N	Exceed
15	[REDACTED]	[REDACTED]	U704741-0	01/28/00	\$31,928	6 Lump Sum	\$31,928 * 4,489	CUNY RETIRED CUNY NYC ADJ NYC TECH COL	\$24,489	\$5,868	Exceeded Reported wages \$5868 Warning letter sent * OTC salary \$24,489	N	Exceed
16	[REDACTED]	[REDACTED]	U705453-0	08/02/88	42,397	None	0.00	NINTH JUDICI	92,216	0	Not exceed No Reported Wages on UPS 211 waiver on file from 03/02/02 - 03/01/04 * OTC salary \$92,216	Y	O.K.
17	[REDACTED]	[REDACTED]	U705571-0	01/28/00	65,379	None	0.00	CUNY NYC ADJ NYC TECH COL CUNY RETIRED	25,861	0	Not exceed No Reported Wages on UPS Warning Letter sent Doc. submitted. Incentive pay of \$14,570 * OTC salary \$25,861	N	O.K.
18	[REDACTED]	[REDACTED]	U710598-0	07/01/01	57,176	None	0.00	SUNY AT STON	36,726	0	Not exceed No Reported Wages on UPS 211 waiver on file Member called in 6/14/04 requesting to fax in proof of EAB. Awaiting Fax. Fax received 6/15/04 containing waiver forms. * OTC salary \$36,726	Y	O.K.
19	[REDACTED]	[REDACTED]	U700384-0	07/11/95	39,784	3 Confidential Page 2 6/23/2004 Lump Sum	11,401 * 8,660	QUEENS COLL ADJ YORK DOE	28,421 239	0	Exceeded No Reported Wages on UPS Warning letter sent Member was suspended in 2001 (718) 723-8092 6/21/04 Retiree called and wants an extension for making payment. * OTC salary \$28,660	N	Exceed

* Lump sum payment option
 ** IA15 letters were sent 6/9/04
 *** Pending - In the process of making lump sum payments



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Internal Audit Division

6/23/2004

REPORT #2 - STATE

PENSION OVERPAYMENTS - NYC TEACHERS' RETIREMENT SYSTEM STATE 2002 MATCHES (LACK OF WAIVERS)

Seq #	S.S.#	Name	Pension #	Date Retired	2002 Pension	Months Overpaid	Amount Overpaid	2002 Employer	OTC Salary	TRS Salary	TRS Response / Findings	Waiver on File	Status
20	[REDACTED]	[REDACTED]	U704645-0	01/28/00	57,889	None	0.00	BKLYN COLL ADJ CUNY RETIREM	22,760	0	Not exceed No Reported Wages on UPS Warning letter sent Doc - Ret. Incentive pay \$15,082.58 * OTC salary \$22,760	N	O.K.
21	[REDACTED]	[REDACTED]	U713298-0	05/05/90	19,377	None	0.00	DEPT OF	81,401	0	Not exceed No Reported Wages on UPS Restored to Active Service * OTC salary \$81,401	N	O.K.





*The
City of
New York*

FIRE DEPARTMENT

9 METROTECH CENTER

BROOKLYN, N.Y. 11201-3857

FRANK J. BUCCELLATO

Chief Compliance Officer

Strategic Planning, Audit & Review

Room #8S-9

June 18, 2004

Mr. Greg Brooks
Deputy Comptroller
Policy, Audits, Accountancy & Contracts
Office of the Comptroller
1 Centre Street
New York, New York 10007-2341

Re: Audit Report on New York City Pensioners Working for New York State after their Retirement. January 1, 2001 – December 31, 2002. FL04-115A .

Dear Mr. Brooks:

Attached is FDNY's comments on the above mentioned report, as well as our response and Agency Implementation Plan for each of the recommendations. Please thank your audit staff for the assistance they have provided to the Department in this review.

If you wish to discuss any portion of our response or AIP, please contact me at (718) 999-2033.

Sincerely,

A handwritten signature in cursive script that reads "Frank J. Buccellato".

Frank J. Buccellato

Cc: M. Vecchi
M. Basso

Audit FL04-115A

Audit Recommendations / FDNY Response – Agency Implementation Plan

- 1) Investigate those individuals identified as concurrently receiving pensions while being re-employed in New York State public service. City retirement system officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

FDNY Response – The Department agrees that it should investigate and take action against the identified individual(s). FDNY has already initiated recoupment proceedings where appropriate.

- 2) Forward to the Department of Investigation, if the circumstances warrant such action, the names of those individuals found to be illegally collecting pensions.

FDNY Response – The Department agrees to do so when circumstances warrant such action.

- 3) Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators”.

FDNY Response – All previously identified pension overpayments have already been or are in the process of being recouped.

- 4) Send Special reminders to service retirees under the age of 65, and to all disability retirees, that clearly state their responsibilities regarding public service re-employment.

FDNY Response – Special reminders on the subject are sent out on a routine basis.

BOARD OF EDUCATION RETIREMENT SYSTEM
OF THE CITY OF NEW YORK

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MARITA REGAN
AUGUSTA SOUZA KAPPNER
TRUSTEES

June 15, 2004

Greg Brooks
Deputy Comptroller
For Audits and Engineering
1 Centre Street – 5th Floor
New York, N.Y. 10007-2341

**Re: Audit Report on NYC Board of Education
Non-Pedagogical Pensioners Working for
The State After Their Retirement
January 1, 2001, to December 31, 2002
FL 04-115A**

Dear Mr. Brooks:

We are in receipt of the above referenced preliminary draft audit report on re-employment of "New York City Board of Education Non-Pedagogical Pensioners Working for the State of New York After Their Retirement", for the period January 1, 2001 through December 31, 2002. In your report you identified one pensioner of the Board of Education Retirement System (BERS) who was found to have violated the New York State Education Law (Title 2, Article 52, § 2575), combined with the New York City Charter (§ 1117) during the period under review.

We will promptly conduct a preliminary investigation of the pensioner cited in your report. We believe that our ongoing efforts at informing our members of the existing laws governing re-employment in the public sector, and of the strict consequences for violating these laws continue to produce dividends as is evidenced by just the lone pensioner who may have violated the above laws.

Upon completion of our investigation, and further proof that the pensioner did indeed violate the laws we will commence recoupment actions.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bailey".

Christine Bailey
Executive Director

c: Anthony Scully
Board of Trustees