

# State pension probe expands to Westchester, Rockland

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PURCHASE — The state Attorney General's Office has asked for payroll records from Westchester, Rockland, Yonkers and eight other government entities in the Lower Hudson Valley as part of its continuing investigation into whether salaries and overtime payments are being manipulated to inflate pensions.

"If there's waste, if there's fraud, if there's abuse, if there's a scam, the taxpayers have no reason to pay for that," Attorney General Andrew Cuomo said during an appearance at Manhattanville College.

Last week, Cuomo unveiled the "pension padding" probe by announcing that his office was seeking data from 28 state agencies, authorities and local governments, including Putnam County, to find out whether salaries and overtime pay were being manipulated to increase pensions. Putnam County was the one local municipality on that list.

Wednesday's announcement added Westchester; Rockland; Yonkers; Clarkstown; Orangetown; Ramapo; Stony Point; the Fairview, Greenville and Hartsdale fire districts in Greenburgh; and the Westchester Health Care Corporation.

Those selected have high pensions and salaries or have pension costs that make up a greater percentage of their expenses than the state average, a spokesman for Cuomo said.

Westchester County Executive Rob Astorino was at the college with Cuomo and promised the county's cooperation in the probe,

saying that "skyrocketing" pension costs is a "major culprit" in the \$126 million deficit the county projects for next year. He said Westchester is paying \$55 million this year to cover retirement benefits, and that figure is expected to rise to \$118 million in three years.

"That's unsustainable," he said, adding that the county is cutting back on overtime as much as it can. "The abuse in the system, we believe, is there."

Cuomo is considered the front-runner in this year's race for governor, although he has not yet announced his candidacy and would not address the issue Wednesday.

His public integrity bureau has spent the past three years probing the pension system, from school districts that listed lawyers and other contractors as employees so they could improperly draw pensions to "pay to play" abuses in how companies got pension business.

Among those indicted in the latter were Hank Morris, an adviser to former state Comptroller Alan Hevesi, and David Loglisci, a former deputy comptroller. Loglisci pleaded guilty earlier this month. The probe led to the return of \$100 million to the pension fund.

The newest direction of the pension investigation focuses on how municipal employees have managed to maximize their retirement benefits.

A review of state pension records by The Journal News last year revealed that nearly half of the more than 300 Yonkers police and firefighters who retired from 2000 to 2009 receive pensions that are higher than their final base pay. That includes at least eight former Yonkers cops whose pensions are more than 60 percent higher than their regular salary the year they retired.

Although not naming him, Cuomo has cited the example of retired Yonkers police Officer Hugo Tassone as an indication how the pension system has run amok. Tassone was 44 when he retired in 2007 after 20 years on the job. His salary that year was about \$74,000, but he received \$125,000 in overtime that boosted his pension to \$101,333.

Yonkers Mayor Phil Amicone welcomed the investigation but said that it should be broadened to include all the state's big cities and that ultimately it would be up to the state Legislature to pass major pension reform.

"I support any effort to tackle soaring pension costs, which have been contributing to higher property taxes in cities like Yonkers for years," Amicone said.

Yonkers police union officials could not be reached for comment but have blamed overtime costs on chronic understaffing rather than pension padding.

The \$129 billion state Common Retirement Fund includes the Employees' Retirement System and the Police and Fire Retirement System and covers more than 1 million employees and retirees. New York City has a separate pension system, as do teachers and other professional educators.

Taxpayers contribute more than \$2.5 billion annually to the state system. In 2007, New York's overall pension cost was \$486 per resident, the highest rate in the nation, according to census data.

Generally, an annual pension is a percentage of an employee's average salary — base pay, holiday pay, overtime and some other compensation — over the final three years of work. However, older police officers and firefighters, as well as all cops and firefighters in Yonkers and some other communities, benefit from pensions based only on their best-paid year of work.

There is a cap on pensions, but only to the extent that a final year's income can only exceed the previous year by 20 percent. That forces employees to work extended hours of overtime for at least three years — or only two years for those with the single-year benefit.