S T A T E O F N E W Y O R K

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I N A S S E M B L Y

March 22, 2012

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Codes

AN ACT to amend the retirement and social security law and the general business law, in relation to the attorney general's investigation and commencement of actions relating to fraudulent practices alleged to have damaged a public retirement system

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 14 of the retirement and social security law is amended to read as follows:

S 14. Legal adviser. The attorney-general of the state shall be the legal adviser of the retirement system AND SHALL RECEIVE REQUESTS FOR INVESTIGATION AND LITIGATION PURSUANT TO SECTION THREE HUNDRED FIFTY-THREE OF THE GENERAL BUSINESS LAW.

S 2. Subdivision 3 of section 353 of the general business law, as added by chapter 559 of the laws of 1976, is amended to read as follows:

3. (A) Upon a showing by the attorney general that a fraudulent practice as defined by this article has occurred, he may include in an action under this article an application to direct restitution of any moneys or property obtained directly or indirectly by any such fraudulent practice, PROVIDED HOWEVER, THAT UPON THE WRITTEN REQUEST OF THE TRUSTEE OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM OR THE TRUSTEE OF ANY OTHER PUBLIC RETIREMENT SYSTEM AS DEFINED IN SUBDIVISION A OF SECTION EIGHT HUNDRED OF THE RETIREMENT AND SOCIAL SECURITY LAW, ALLEGING THAT SUCH PUBLIC RETIREMENT SYSTEM HAS BEEN DAMAGED BY SUCH FRAUDULENT PRACTICES, THE ATTORNEY GENERAL SHALL, WITHIN A REASONABLE TIME PERIOD, INVESTIGATE THE FACTS ALLEGED IN THE REQUEST AND, WHERE APPROPRIATE, COMMENCE AN ACTION UNDER THIS ARTICLE FOR RESTITUTION TO SUCH PUBLIC RETIREMENT SYSTEM OF ANY MONEYS OR PROPERTY OBTAINED DIRECTLY OR INDIRECTLY BY ANY SUCH FRAUDULENT PRACTICE. ANY FINAL JUDGMENT OR SETTLEMENT WHICH PROVIDES FOR SUCH RESTITUTION OF MONEY OR PROPERTY SHALL BE TIMELY REMITTED TO THE AFFECTED PUBLIC RETIREMENT SYSTEM.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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(B) WHERE A REQUEST IS MADE TO THE ATTORNEY GENERAL BY A PUBLIC RETIREMENT SYSTEM TRUSTEE OR TRUSTEES PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION, SUCH PUBLIC RETIREMENT SYSTEM SHALL REIMBURSE THE ATTORNEY GENERAL FOR REASONABLE INVESTIGATION, LITIGATION, COURT FEE, EXPERT WITNESS AND OTHER REASONABLE RELATED COSTS.

S 3. This act shall take effect immediately and shall apply to actions or omissions committed on or after January 1, 2003.