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I N S E N A T E

May 23, 2012

Introduced by Sen. LIBOUS -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

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:

1 Section 1. Section 14 of the retirement and social security law is
2 amended to read as follows:
3 S 14. Legal adviser. The attorney-general of the state shall be the
4 legal adviser of the retirement system AND SHALL RECEIVE REQUESTS FOR
5 INVESTIGATION AND LITIGATION PURSUANT TO SECTION THREE HUNDRED
6 FIFTY-THREE OF THE GENERAL BUSINESS LAW.
7 S 2. Subdivision 3 of section 353 of the general business law, as
8 added by chapter 559 of the laws of 1976, is amended to read as follows:
9 3. (A) Upon a showing by the attorney general that a fraudulent prac-
10 tice as defined by this article has occurred, he may include in an
11 action under this article an application to direct restitution of any
12 moneys or property obtained directly or indirectly by any such fraudu-
13 lent practice, PROVIDED HOWEVER, THAT UPON THE WRITTEN REQUEST OF THE
14 TRUSTEE OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM,
15 THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM OR THE
16 TRUSTEE OF ANY OTHER PUBLIC RETIREMENT SYSTEM AS DEFINED IN SUBDIVISION
17 A OF SECTION EIGHT HUNDRED OF THE RETIREMENT AND SOCIAL SECURITY LAW,
18 ALLEGING THAT SUCH PUBLIC RETIREMENT SYSTEM HAS BEEN DAMAGED BY SUCH
19 FRAUDULENT PRACTICES, THE ATTORNEY GENERAL SHALL, WITHIN A REASONABLE
20 TIME PERIOD, INVESTIGATE THE FACTS ALLEGED IN THE REQUEST AND, WHERE
21 APPROPRIATE, COMMENCE AN ACTION UNDER THIS ARTICLE FOR RESTITUTION TO
22 SUCH PUBLIC RETIREMENT SYSTEM OF ANY MONEYS OR PROPERTY OBTAINED DIRECT-
23 LY OR INDIRECTLY BY ANY SUCH FRAUDULENT PRACTICE. ANY FINAL JUDGMENT OR
24 SETTLEMENT WHICH PROVIDES FOR SUCH RESTITUTION OF MONEY OR PROPERTY
25 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.

LBD15006-01-2

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

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