§ 63-c. Action by the people for illegal receipt or disposition of public funds or other property. 1. Where any money, funds, credits, or other property, held or owned by the state, or held or owned officially or otherwise for or in behalf of a governmental or other public interest, by a domestic, municipal, or other public corporation, or by a board, officer, custodian, agency, or agent of the state, or of a city, county, town, village or other division, subdivision, department, or portion of the state, has heretofore been, or is hereafter, without right obtained, received, converted, or disposed of, an action to recover the same, or to recover damages or other compensation for so obtaining, receiving, paying, converting, or disposing of the same, or both, may be maintained by the state in any court of the state, or before any court or tribunal of the United States, or of any other state, or of any territory of the United States, or of any foreign country, having jurisdiction thereof, although a right of action for the same cause exists by law in some other public authority, and whether an action therefor in favor of the latter is or is not pending when the action in favor of the state is commenced. The attorney-general shall commence an action, suit or other judicial proceeding, as prescribed in this section, whenever he deems it for the interests of the state so to do; or whenever he is so directed, in writing, by the governor.

2. Upon the commencement by the state of any action, suit or other judicial proceeding, as prescribed in this section, the entire cause of action, including the title to the money, funds, credits, or other property, with respect to which the suit or action is brought, and to the damages or other compensation recoverable for the obtaining, receipt, payment, conversion or disposition thereof, if not previously so vested, is transferred to and becomes absolutely vested in the state.

3. Any court of the state in which an action is brought by the state, as prescribed in this section, may direct, by the final judgment therein, or by a subsequent order, that any money, funds, damages, credits, or other property, recovered by or awarded to the plaintiff therein, which, if that action had not been brought, would not have vested in the state, be disposed of, as justice requires, in such a manner as to reinstate the lawful custody thereof, or to apply the same

or the proceeds thereof to the objects and purposes for which they were authorized to be raised or procured; after paying into the state treasury out of the proceeds of the recovery all expenses incurred by the state in the action.

4. Any corporation, board, officer, custodian, agency, or agent, in behalf of any city, county, town, village, or other division, subdivision, department, or portion of the state, which was not a party to an action, brought as prescribed in this section, and which claims to be entitled to the custody or disposition of any of the money, funds, damages, credits, or other property, recovered by, or awarded to the plaintiff, by the final judgment in the action, or any of the proceeds thereof, and not disposed of as prescribed in subdivision three, may bring a special proceeding against the attorney-general at any time after the actual collection of the money and its payment into the state treasury, or the actual receipt of the property by the state, in the supreme court, county of Albany, seeking disposition of the money or other property.

5. Notwithstanding any other law to the contrary, including without limitation; section sixty-four of this article; the education law; the retirement and social security law and the administrative code of the city of New York, the portion of all money received by the attorney general in connection with the settlement of an action arising out of the management, operation, investments of or otherwise in connection with a retirement or other fund established pursuant to the education law, the retirement and social security law or the administrative code of the city of New York attributable to the harm suffered by such fund shall be deposited into such fund.