§ 111. Protection against fraud. a. Any person who shall:

1. Knowingly make any false statement, or

2. Falsify or permit to be falsified any record of the retirement system, in any attempt to defraud such system as the result of such act shall be guilty of a misdemeanor.

b. Any violation of subdivision a of this section that results in a member or beneficiary of the retirement system receiving a benefit or payment in excess of one thousand dollars more than he or she would have been entitled to shall be a class E felony. Any violation of subdivision a of this section that results in a member or beneficiary of the retirement system receiving a benefit or payment in excess of three thousand dollars more than he or she would have been entitled to shall be a class D felony.

c. In the event that any change or error in any record of the retirement system causes a member or beneficiary of such system to receive more or less than he would have been entitled to receive had such record been correct, the comptroller, upon the discovery of any such change or error, shall correct such record. As far as practicable, the comptroller shall adjust payments in such a manner that the actuarial equivalent of any benefit rightly due shall be paid.