



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Long Island Senators Call on Congress to Improve Oversight of Federal Railroad Retirement Board

CHARLES J. FUSCHILLO JR. November 4, 2011

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Following the arrest of 11 people for allegedly committing a widespread LIRR disability pension scam which could cost as much as \$1 billion, Senator Charles J. Fuschillo, Jr. (R-Merrick), Chairman of the State Senate's Transportation Committee, has called on the federal government to find ways to improve oversight of the Railroad Retirement Board.

Senator Fuschillo, as well as Senate Majority Leader Dean Skelos (R-Rockville Centre), Senator Owen Johnson (R-West Babylon), Senator Ken LaValle (R-Port Jefferson), Senator Kemp Hannon (R-Garden City), Senator Carl Marcellino (R-Syosset), Senator John Flanagan (R-East Northport), Senator Jack Martins (R-Mineola), and Senator Lee Zeldin (R-Shirley), wrote to the Chairmen of the U.S. Senate Committee on Health, Education, Labor & Pensions and the House Committee on Transportation & Infrastructure urging them to "examine what measures can be taken to ensure greater accountability by the Railroad Retirement Board."

"The recent arrests of those who allegedly faked LIRR disability pension claims have raised serious questions about the Railroad Retirement Board's ability to provide oversight of pension funds. The government has an obligation to protect these funds from abuse, and while the law enforcement investigation continues, Congress should take immediate action to explore ways that will strengthen accountability and prevent fraud at the RRB," said Senate Majority Leader Dean Skelos.

"Any person who has committed fraud should be prosecuted and held accountable. Congress needs to examine how to strengthen oversight to ensure that the Railroad Retirement Board is not simply rubber stamping every disability pension application," said Senator Fuschillo.

"The LIRR pension fraud scandal resulted from inexcusable, systematic abuse. Congress must revisit its laws allowing such practices by LIRR employees. In this tough economy, our governments need to be cutting wasteful spending, reducing tax burdens and creating jobs. This ongoing fraud within the LIRR is exactly what our federal government doesn't need to accomplish our shared goals. Congress must address this abuse immediately," said Senator Zeldin.

The federal Railroad Retirement Board is the agency which approves disability pensions for LIRR workers. Federal law enforcement have already made 11 arrests as part of an alleged fraud scheme in which LIRR workers allegedly filed hundreds of fraudulent disability claims which were approved by the Railroad Retirement Board. Federal officials stated that these alleged fraudulent payouts could end up costing as much as \$1 billion.

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A Copy of the Letter is attached below