



NEW YORK STATE SENATOR

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From the Desk of Senator Jack M. Martins

JACK M. MARTINS October 1, 2012

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Monkey in the Middle

I bet you weren't fazed by the recent confessions of two former Long Island Railroad (LIRR) employees, who this week admitted their part in a widespread, disability retirement scheme. These charlatans stand accused of blatantly defrauding taxpayers and, in doing so, have unfairly cast thousands of honest, hard working LIRR employees in a negative light. For many accustomed to that kind of ugly news, it's not even a blip on our radars, but it should have registered much higher on our enraged index. The Federal Bureau of Investigation (FBI), which is pursuing the case along with Manhattan federal prosecutors, estimate that there may be 1,500 retirees involved who, left unchecked, would collect around \$1 billion! That's not chump change. That's money that fills budget gaps. It's money that legislators have been forced to cut from valuable programs all over the country to make ends meet. It's money other employers have been paying up to keep their pension funds afloat and it's literally being stolen by a small group of brazen men and women who believe they are above the law.

Worse yet, it was done right under the collective noses of those charged with protecting taxpayer interests. As it stands, an LIRR employee who retires and claims disability may

receive a disability payment from the federal government's Railroad Retirement Board (RRB) in addition to their LIRR pension, regardless of age. The combination of the two can roughly equal the base salary earned during the employee's career. It's an over-generous and poorly conceived policy that makes for great temptation. That's why since 2011, the FBI has arrested 21 retired LIRR employees who allegedly conspired with doctors to falsify claims that they were disabled, making them eligible for the generous overlap. Upon investigation, they were found to be fine, performing work similar to their duties or having robust hobbies like biking and tennis.

Wait, it gets worse. Of the disability applications filed in a 10-year period at the LIRR for people 50 to 55, 61% were approved. By comparison, Metro North Railroad approved only 7%. More suspiciously, the same three doctors accounted for an overwhelming 86% of the LIRR disability applications! Are we to believe that people are just sicker on Long Island and that all of these people just happen to have the same doctors? Didn't any of these incriminating numbers even raise an eyebrow? While the FBI looks at a very limited time frame, the dirty little secret is that this has been going on for years and people looked the other way. I don't know that a billion dollars even scratches the surface.

A lawyer for a defendant was quoted as saying, "It was something everyone did as a matter of course. The Long Island Rail Road and the Railroad Retirement Board didn't question any of these applications. They just let them go through..." Unfortunately, while blame is thrown side to side, the taxpayer remains the monkey in the middle. As a freshman senator closing out my first term in Albany, the most difficult thing for me personally has been balancing our budgets. It's a complicated, tedious task that drains you as you struggle to make tough decisions on where to cut. I wish we had money for everything that everyone needs but we simply don't.

These incidents emphasize that despite the protests of government agencies, large-scale corruption does indeed exist and greatly impacts the bottom line. They, in no way, mean the agency is unfixable. Rather, they serve as a loud wake-up call that accountability issues need to finally be tackled. Services cannot be effectively rendered unless an agency makes being a steward public money foremost in their mission.

Whenever money is fraudulently siphoned, the buck always stops with us, the taxpayers, who are expected to make up the difference. I don't care what your political affiliation is, we are all Long Island taxpayers first -- some of the most heavily taxed in the nation. It's seems very reasonable to expect the oversight of our public money to match our sizable contribution to it.