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CONTACT: CHRISTIAN W. PECK  
PUBLIC INFORMATION OFFICER  
TEL: (716) 439-7241  
FAX: (716) 439-7058

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COUNTY LAWMAKERS TO ASK FOR PROBE OF DiNAPOLI  
CERETTO SEEKS EXPLANATION OF DISPARITIES IN STATE RETIREMENT FUND

LOCKPORT—Niagara County lawmakers took the strong step of formally asking New York state's attorney general to investigate the state's comptroller after demands for higher local contributions to the state's pension fund didn't square with the fund's actual market performance.

The move was prompted in part by a presentation by County Legislature Majority Leader Rick Updegrave, R-Lockport, at the May 18 meeting of the deliberative body. At the time, Updegrave warned of the impact of massive cost spikes in the state-controlled New York State and Local Retirement System. Over the past decade, the costs passed on to Niagara County have grown by 800 percent, including a substantial 77 percent spike this year—a \$3.7 million surge that county lawmakers have to find money to fund in an already tight budget year.

When Legislator John D. Ceretto, R-Lewiston, looked into the matter further, however, they were stunned to discover that even as New York State Comptroller Thomas P. DiNapoli was passing on the 77 percent cost hike to local taxpayers, he was boasting of 26 percent growth in the market value of the state's pension fund—two opposing positions that baffled county lawmakers.

"I can't fathom how the comptroller can report a 26 percent return this year on the state's retirement fund, and still make Niagara County taxpayers pay an extra 77 percent," Ceretto told fellow lawmakers. "The costs the comptroller is passing on are strangling county taxpayers."

Ceretto found the startling 26 percent growth claim by DiNapoli in his [2009 Comprehensive Annual Financial Report](#) for the pension plan, a sort of state-mandated prospectus for the performance of the state's Common Retirement Fund. By law, DiNapoli is the sole trustee of the retirement fund.

"If the comptroller is being honest and managing the fund appropriately, with 26 percent growth, he shouldn't be asking us for another 77 percent," Ceretto said. "Something just doesn't make sense."

Ceretto and Updegrave also noted another troublesome aspect of the situation. In the same 2009 Comprehensive Annual Financial Report, DiNapoli states that "The System's funding objective is to meet long-term benefit promises through employer contributions that remain level as a percentage of member payroll"—a claim that contradicts the 77 percent surge facing Niagara County's taxpayers.

"We're asking the attorney general, Andrew Cuomo, to look into the comptroller's management of this fund," Ceretto said. "Ultimately, it is my hope that we can get to the bottom of how Comptroller Thomas DiNapoli has failed in his responsibilities managing the New York State and Local Retirement System."

Ceretto expressed confidence that, presented with DiNapoli's contradictory demands and boasts of performance, including a [June 1 article](#) in *Business First of Buffalo* that rehashed boasts made last week by DiNapoli that the pension fund had just enjoyed "the third-best performance in the past 20 years."

"I am sure the attorney general will do the right thing and investigate a situation where the numbers just don't add up," Ceretto said.

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