

CITY OF NEW YORK
Office of the Inspector General
Teachers' Retirement System
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INSPECTOR GENERAL

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VIA ELECTRONIC MAIL

December 12, 2023

Patricia Reilly
Executive Director
Teachers' Retirement System
of the City of New York
55 Water Street
New York, NY. 10041

Re: Owen Burgess
SCI Case#: 2020-3547

Dear Executive Director Reilly:

An investigation conducted by this office has substantiated that Owen Burgess ("O. Burgess"), husband of deceased Teachers' Retirement System of the City of New York ("TRS") pensioner Lenora Burgess ("L. Burgess"), improperly received \$781,214.96 in pension payments meant for L. Burgess, from the date of her death on February 15, 2002, until September 8, 2020.

I. Investigation & Findings:

A. Initial Allegation

The investigation began when the office of the Inspector General for TRS ("IG") received a complaint from [REDACTED] who reported that in August 2020, TRS received multiple phone calls from individuals who reported the death of retiree L. Burgess in February 2002. [REDACTED] reported that these calls were the first notification TRS received regarding the death of L. Burgess nearly 20 years earlier. [REDACTED] further noted that TRS attempted to reverse the electronic fund transfers made to L. Burgess since February 15, 2002, totaling \$781,214.96, but the reversal attempts were repeatedly rejected by O. Burgess's bank due to insufficient funds.

B. SCI Investigation

IG investigators reviewed documentation received from [REDACTED] which revealed that two individuals who identified themselves as [REDACTED] and [REDACTED] called TRS and were able to provide the last four digits of L. Burgess's Social Security number,

identified L. Burgess's date of death at Mary Immaculate Hospital in Queens and knew that the TRS monthly pension allowance was being sent to an account at Sterling National Bank in the name of L. Burgess's husband, O. Burgess. The documentation further included a United States Department of Veteran's Affairs National Cemetery Administration Grave Locator search, which confirmed L. Burgess passed away on February 15, 2002, was buried at Calverton National Cemetery, and identified O. Burgess as L. Burgess's husband.

Additionally, [REDACTED] provided IG investigators with L. Burgess's TRS retirement application which showed that under the section titled "Form of Payment Elections," L. Burgess selected "Maximum Retirement Allowance," and provided her signature affirming she understood that "...no further benefits are payable upon my death." When asked by investigators how TRS was typically notified of a pensioner's death, [REDACTED] stated that the responsibility to report a death to TRS lied with the pensioner's family. [REDACTED] further informed investigators that TRS periodically ran pensioners' names through outside databases as a supplement, but these databases did not always produce the names of all deceased members.

IG investigators contacted the New York City Department of Health's Office of Vital Records and were provided a copy of L. Burgess's death certificate. Investigators then contacted [REDACTED] to confirm the names of L. Burgess's spouse and children. [REDACTED] stated that the DOE did not have any names on file as family members for L. Burgess.

Sterling National Bank provided IG investigators with documentation related to the account opened by L. Burgess. These documents revealed that checks paid from this account, from 2013 to 2020, were all signed as "Burgess," that the account was closed due to insufficient funds on March 7, 2021, and that recurring payments were made to Allstate Insurance Company bearing the notation: "Allstate Ins Co Ins Pymt Owen Burgess."

After repeated unsuccessful efforts to contact Burgess over approximately four months, IG investigators finally contacted Burgess via phone. Burgess stated that he was not currently residing at his last known address, and due to financial issues, did not have a consistent residence. Burgess declined an interview with IG investigators but stated that at some point in the past he received a demand letter from TRS to retrieve funds paid into L. Burgess's bank account. O. Burgess claimed that he was unsure why the pension payments continued for multiple years after L. Burgess's death if he was not supposed to receive that money. Burgess further refused to provide IG investigators with a current address, but he did confirm that he currently resided within New York City.

II. Conclusion and Recommendation:

Upon review of the above facts, the TRS IG has substantiated that Owen Burgess improperly received \$781,214.96 in pension payments made to TRS Pensioner Lenora Burgess that he was not entitled to, from her death on February 15, 2002, until September 8, 2020. It is the recommendation of this office that TRS continue to seek repayment from Owen Burgess for the \$781,214.96 he improperly received.

In addition, the IG offers the following Policy and Procedure Recommendations (“PPR”):

1. To prevent future instances of improper pension payments to deceased pensioners’ spouses and/or children, the IG recommends that TRS policy be amended to require, at a minimum, that pensioners recertify their eligibility to receive pension payments annually. Failure to recertify in a timely manner should immediately trigger further scrutiny by TRS, including inquiries into family and financial institutions. A continued failure to recertify should ultimately lead to a halt in pension distributions until further information is provided.

Please respond in writing within 30 days of receipt of this letter as to any action taken regarding Owen Burgess, or the recommendations made herein.

Should you have any inquiries regarding the above, please contact Stephen Boniberger, the assigned attorney for this matter, at (212) 510-1440 or sboniberger@nycsci.org.

Sincerely,

ANASTASIA COLEMAN
Inspector General

By: /s/ Daniel I. Schlachet
Daniel I. Schlachet
First Deputy Inspector General

AC:DS:SB:lr

cc: Valerie Budzik - Executive Agency Counsel