



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ANDREW M. CUOMO
Attorney General

PUBLIC INTEGRITY BUREAU

March 16, 2010

By U.S. Mail and Facsimile

Ms. Helena E. Williams
President, Long Island Rail Road
Jamaica Station
Jamaica, New York 11435-4380

Re: Letter Agreement in the Matter of the Investigation by Andrew M. Cuomo,
Attorney General of the State of New York, relating to
Occupational Disability Claims by Long Island Rail Road Retirees

Dear Ms. Williams:

In the fall of 2008, the Attorney General of the State of New York ("the Attorney General") commenced an investigation into occupational disability benefits provided by the United States Railroad Retirement Board ("RRB") to retirees of the Long Island Rail Road ("LIRR"). On October 27, 2008, the Attorney General conducted a public hearing with members of the United States Congress, which highlighted that more than 90% of LIRR retirees applied for and received occupational disability benefits from the RRB to supplement their pensions -- a disproportionately high percentage in relation to other railroads. Our hearing and investigation further exposed the cottage industry that had developed among certain doctors and consultants to facilitate the exploitation of the RRB occupational disability benefits system.

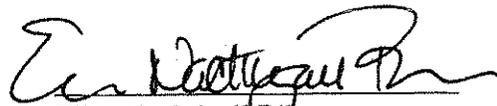
Results of the Attorney General's ongoing investigation suggest that the issues uncovered by the hearing and investigation with respect to RRB occupational disability benefits are continuing. Although the awarding of occupational disability benefits is controlled by the RRB, a federal agency, we request that the LIRR implement controls to help address the disproportionately high percentage of LIRR retirees applying for and receiving occupational disability benefits, and to help ensure that such disability benefits are available only to those who are occupationally disabled.

Therefore, the Attorney General and the LIRR agree as follows:

1. Within thirty (30) days of the effective date of this agreement, the LIRR shall retain, and bear the expense of retaining, an independent examiner (the "Independent Examiner"). To accomplish this, the LIRR shall, prior to the effective date of this agreement, provide the OAG with the name and qualifications of the proposed Independent Examiner. The OAG will have the right to approve or reject the proposed Independent Examiner.
2. The Independent Examiner shall design a compliance program and recommend controls at the LIRR to help address the problems with the occupational disability benefits that were uncovered by the OAG's 2008-2009 investigation. At a minimum, the Independent Examiner shall do the following:
 - a) review, and to the extent necessary revise, the current ethics training program at the LIRR to ensure that proper training is being given to all LIRR employees relating to the problems with occupational disability benefits that were uncovered last year;
 - b) review the organization of the LIRR pension office and the retraining of its employees;
 - c) review, and to the extent necessary improve or expand the functions of, the LIRR compliance unit that the LIRR created in the wake of the OAG's investigation;
 - d) examine the RRB occupational disability benefits application and review processes and recommend measures designed to reduce the number of inappropriate applications for, or awards of, occupational disability benefits; and
 - e) assess the LIRR's monitoring of on-the-job safety, accident, injury, and medical issues.
3. Within nine (9) months of the date of Independent Examiner's retention agreement, the Independent Examiner shall submit a written report to the OAG and the LIRR. The report shall include the Independent Examiner's review, assessments, and recommendations, as set forth above.

4. The Independent Examiner shall have: (i) access to any records and documents of the LIRR as requested; (ii) the ability to attend relevant executive-level and other meetings at the LIRR; (iii) permission to speak with any of the LIRR's employees, officers, members, outside auditors, and accountants; and (iv) to the extent permitted by law, access to records and information collected by the OAG pursuant to its investigation.
5. The provisions of this agreement are not intended to supplant any New York State or federal law or regulation. This agreement shall be construed to be consistent with any such law and regulation. In the event of a conflict between this agreement and any such law or regulation, the law or regulation, as the case may be, shall govern.

Very truly yours,



Ellen Nachtigall Biben
Special Deputy Attorney General
for Public Integrity

Agreed to by:



Ms. Helena E. Williams
President, Long Island Rail Road
Jamaica Station
Jamaica, New York 11435-4380
On behalf of the LIRR

DATED: New York, New York
March 16, 2010