



New York City Comptroller  
**Scott M. Stringer**

**NEWS**

PRESS RELEASE

**FOR IMMEDIATE RELEASE**

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**NEW YORK CITY MAYOR BILL DE BLASIO AND COMPTROLLER  
SCOTT M. STRINGER RELEASE KPMG REPORT ON DISBURSEMENT  
PROCESS AND CONTROLS AT FINANCIAL INFORMATION SERVICES  
AGENCY**

*Report Affirms New Protections Put in Place by Mayor and Comptroller,  
Recommends Additional Steps that will be Immediately Implemented*

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New York, NY -On Thursday, New York City Mayor Bill de Blasio and New York City Comptroller Scott M. Stringer, in their roles as board members of the Financial Information Services Agency (FISA), released a report prepared at their direction by KPMG LLP (KPMG) regarding erroneous payments made to retired members of the New York City Police and Fire Departments.

“The mistakes that led to FISA’s erroneous payments were, simply, unacceptable. That’s why we acted quickly and responsibly to recoup the funds and identify the causes of the incident, and took immediate steps to ensure that FISA enhanced its internal controls. As part of its report, KPMG affirmed these stronger procedures and made recommendations for additional measures which we will ensure are implemented without delay to help protect the City from future incidents. We would like to thank KPMG for its prompt and thorough examination and thoughtful recommendations,” Mayor de Blasio and Comptroller Stringer said in a joint statement.

The report contains a timeline of events detailing the system and human errors that resulted in FISA’s erroneous disbursement of approximately \$298.4 million to 31,015 New York City Police and Fire Department retirees on the evening of April 30, 2014. On that day, employees of FISA were testing new programming to automate payments of child support to state government authorities. In the process, a test file was accidentally moved into production and substituted for an approved distribution of payments. This happened because of inadequate automated controls throughout the procedure.

The following morning, having discovered the error, FISA and officials immediately asked Chase Bank, which processed the Electronic Funds Transfer (EFT) payments, to reverse the payments. By May 5th, Chase Bank had recovered more than 99 percent of the monies disbursed. For the remaining outstanding amounts, funds are being recouped through deductions from future benefit payments.

As a result of the events, FISA and OPA immediately instituted additional controls, including changes to permitted uses of pensioner data, modifying the procedure for transmitting EFT payments, and eliminating the ability for test data to enter into the production environment. KPMG has recommended that FISA implement

additional changes, including the redaction of data used for testing and improvement of its documentation of procedures.

“We will be actively monitoring FISA’s compliance with these new protocols and will not hesitate to make any necessary changes to the agency to ensure that private information and taxpayer dollars are appropriately protected,” Mayor de Blasio and Comptroller Stringer said.

To read KPMG’s transmittal letter, click [here](#).

To read KPMG’s “Report on Disbursement Process and Controls Assessment” click [here](#).

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