



FBI PROBES FDNY PENSION ‘FRAUD’

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The FBI has launched a criminal probe into allegations of favor trading, blacklisting and fraud within the FDNY’s disability-pension system, The Post has learned.

The feds are investigating charges that some members of the pension board – which determines whether a firefighter will get a full line-of-duty disability pension – have altered, falsified or mishandled documents and medical records to influence the outcome of some pension cases, a law-enforcement source said.

The FBI’s corruption unit is also probing claims that board members are trading favors to award friends the coveted full disability plan – while blacklisting deserving firefighters, another source said.

Also under scrutiny is the system’s independent medical board, a three-doctor panel who are paid by the city to determine whether the firefighters were disabled in the line of duty.

Former firefighters and their lawyers complain the doctors arbitrarily recommend full disability pensions for some firefighters while others – with seemingly similar injuries – are flat-out denied.

The FBI launched its probe after being tipped to a number of questionable cases, including that of firefighter Michael Romanelli, who was severely injured battling a 1989 Brooklyn fire but was repeatedly denied his bid for a full pension.

Romanelli went up against the pension board five times, providing them with medical reports declaring him unfit for any FDNY duty. But the pension system’s board claimed the fall didn’t cause his injuries.

The board granted him only a standard, taxable half-pay pension.

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The FBI is also looking at the case of firefighter Bill Russell, who was denied a disability pension, despite being badly burned in a blaze.

Russell was declared unfit for active duty by several noted burn specialists, but a board doctor declared he could go back to work.

Under city law, a firefighter hurt in the line of duty and found at least partially disabled by FDNY docs can retire and apply for a disability pension – 3/4 of his annual pay, tax-free.

But to get the pension, the firefighter must first go to the pension system's so-called "1-B" medical-board doctors so they can determine whether the firefighter was injured on the job.

The firefighter's case then goes to the 12-member pension board.

For years, critics have claimed the medical-board docs – perhaps pressured to limit the number of 3/4 payouts – ignore medical reports that help a firefighter's case.

Board meetings are not public, and critics believe the lack of scrutiny allows for behind-the-scenes shenanigans.

"If you're on an enemies list – for whatever reason – you're turned down," said Russell's lawyer, Jeffrey Goldberg, who has represented scores of FDNY disability cases. "Yet another guy can walk in with the exact same evidence, or less, and get the pension."

Even pension-board brass had concerns with the system, according to internal documents.

A 1994 memo from FDNY Deputy Legal Affairs Commissioner David Clinton blasted the medical-board chairman, Dr. Francis Pflum, and its then-secretary, Mary O'Sullivan, after O'Sullivan admitted to preparing medical documents for a disability case.

Noting that the doctors are the only ones "legally entrusted" to perform such duties, Clinton blasted O'Sullivan for actions that "could be seen as an attempt by you to influence the outcome of the deliberations. This conduct, in the very least, gives the appearance of impropriety and should not be repeated again."



“I’ve worked for the city for many years and I’ve never done anything illegal or wrong,” O’Sullivan, who is now a lawyer for the city, told The Post. Pflum, reached at his downtown offices, declined to comment.

FBI spokesman James Margolin would not confirm or deny any investigation, which sources said began months ago.

FDNY and union reps said they were unaware of a probe, and officials have vehemently defended the disability pension system as fair.

Under fire

- * The FBI is investigating possible criminal actions within the FDNY’s disability pension system.

- * Some firefighters say full pensions have been handed out to underserving cases, while other injured firefighters have been blacklisted.

- * The probe is examining allegations of favor-trading and fraud.

- * Members of the FDNY pension board and its independent medical board are being investigated.

