



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
120 BROADWAY
NEW YORK, NY 10271

ANDREW M. CUOMO
Attorney General

(212) 416-8050

March 8, 2007

Timothy S. Carey
President and Chief Executive Officer
New York Power Authority
123 Main Street, 10-B
White Plains, NY 10601

Dear Mr. Carey:

This is to advise you that on February 28, 2007, my Office issued a formal opinion at the request of the New York State Housing Finance Agency and the State of New York Mortgage Agency, concerning the payment of premiums for health insurance for current and retired board members. The opinion is available at the Office of the Attorney General's website at the following web address: www.oag.state.ny.us/lawyers/opinions/2007/formal/2007-F1.pdf. This opinion concluded that payment of health insurance premiums violates the provision in the enabling acts of those agencies directing that their board members shall serve without salary or other compensation, but shall be entitled to reimbursement for expenses incurred in the performance of official duties.

The Power Authority's enabling act contains similar language. See Public Authorities Law §1003. Therefore our position is that payment for health insurance and other benefits for current and past non-chairman trustees of the Power Authority is prohibited.

It has come to our attention that the Power Authority may be providing such benefits. If the Authority is currently making such payments, please terminate them immediately. If the Authority is making such payments and is not inclined to terminate them, please provide the names of those persons for whom premiums are being paid, so that we may consider bringing appropriate enforcement actions. If the Authority believes it has legal authority to make such payments, please contact my Office to explain why you believe the payment of such premiums to your present or past board members is authorized. In addition, if the Authority has provided or is providing any other payments or benefits to Board members, we would appreciate your providing us that information also. You may contact my Public Integrity Unit at (212) 416-6544.

Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Cuomo", written over a horizontal line.

Andrew M. Cuomo
Attorney General



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March 8, 2007

Michael R. Fleischer, Esq.
Executive Director
New York State Thruway Authority
200 Southern Boulevard
P.O. Box 189
Albany, NY 12201

Dear Mr. Fleischer:

This is to advise you that on February 28, 2007, my Office issued a formal opinion at the request of the New York State Housing Finance Agency and the State of New York Mortgage Agency, concerning the payment of premiums for health insurance for current and retired board members. The opinion is available at the Office of the Attorney General's website at the following web address: www.oag.state.ny.us/lawyers/opinions/2007/formal/2007-F1.pdf. This opinion concluded that payment of health insurance premiums violates the provision in the enabling acts of those agencies directing that their board members shall serve without salary or other compensation, but shall be entitled to reimbursement for expenses incurred in the performance of official duties.

The Thruway Authority's enabling act contains similar language. See Public Authorities Law § 352. Therefore our position is that payment for health insurance and other benefits for current and past board members of the Thruway Authority is prohibited.

It has come to our attention that the Thruway Authority may be providing such benefits. If the Authority is currently making such payments, please terminate them immediately. If the Authority is making such payments and is not inclined to terminate them, please provide the names of those persons for whom premiums are being paid, so that we may consider bringing appropriate enforcement actions. If the Authority believes it has legal authority to make such payments, please contact my Office to explain why you believe the payment of such premiums to your present or past board members is authorized. In addition, if the Authority has provided or is providing any other payments or benefits to board members, we would appreciate your providing us that information as well. You may contact my Public Integrity Unit at (212) 416-6544.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Cuomo".

Andrew M. Cuomo
Attorney General