

# Post-retirement job

Contract signed while in office, records show

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A Hempstead Town commissioner signed a contract in 2017 that created post-retirement jobs for her and two coworkers in the town agency where they had worked, according to town records and interviews with town officials.

Ana-Maria Hurtado, former commissioner of Hempstead's Department of Occupational Resources, signed the two-year contract in March 2017 with Alcott HR, a human resources outsourcing company, to provide extra staff to the department.

Hurtado retired that July and became an Alcott employee four days later, according to the contract, payroll records and town officials.

The contract stipulated that the federally funded Hempstead department, known as DOOR, would select which employees Alcott hired to work in the department. The employees selected included Hurtado and retired agency officials Scott Surkis and Edward Kenny, said the current commissioner, Gregory Becker.

The department runs the Hempstead Works Career Center, which provides counseling and training to local job seekers. It has contracted with Alcott since 1993, Alcott co-founder Barry Shorten said.

From the beginning of the 2017 contract through May 13, the three retired officials received \$407,300 for their work as Alcott contractors in the department, according to an email from Alcott to the town obtained by Newsday through a Freedom of Information request.

Hempstead Town Supervisor Laura Gillen, who took office after the contract was signed, criticized the agreement in an interview.

"The commissioner of DOOR negotiated a contract purportedly on behalf of the town to secure a benefit for herself. I don't think, under any-



Ana-Maria Hurtado, former Hempstead commissioner of the Department of Occupational Resources, became an Alcott HR employee.

one's standard of ethics, that is an ethical thing to do," Gillen said.

Hurtado, who also serves as the director of the Town of Hempstead/City of Long Beach Local Workforce Development Board, did not respond to requests for comment. Kenny and Surkis did not respond to requests for comment.

In the 2017-2018 program year, the first year of the contract, the department's federal funding decreased and it projected the first deficit in its history, prompting the town to provide the agency \$300,000 in town funds, according to budgets and town officials.

The contract with Alcott, which has offices in Farmingdale, cost the department \$474,700 that year, and is expected to cost \$411,900 in 2018-2019, budgets show.

The department's contracts typically have not gone before the town board, and its spending has not been subject to oversight, because it is federally funded, officials said.

While federal funding has rebounded, the department is also projecting a \$115,000 deficit in the 2018-2019 program year, which ends June 30, records show. Its budget this year is \$5.2 million.

The town board on Tuesday



Gregory Becker, occupational resources commissioner, said the 2017 contract was necessary.

is set to vote on extending the Alcott contract, which expires June 30, through August, a board resolution shows.

Becker, a former Republican state assemblyman, said the 2017 contract was "reasonable and necessary," and "the office might have ceased to function" without the "institutional knowledge" of Hurtado, Kenny and Surkis, had they stopped working for the department after retiring.

Erin King Sweeney, Republican majority leader on the Hempstead Town Board, said town officials "have to be more



The Hempstead Executive Plaza building on Clinton Street houses

conscious of the [department's] budget and operate more efficiently."

The department was established in 1978, the same year Hurtado started working for the town, according to the department's website and town payroll records. Its office on Clinton Street in Hempstead served more than 9,000 job seekers in the first year of the Alcott contract, Becker said.

In 2018, the department had 18 staffers, payroll records show. Ten Alcott workers also work for the department, Becker said.

In 2016, her last full year as commissioner, Hurtado was paid \$150,600, payrolls show.

A procurement committee convened in early 2017 to review responses to the department's requests for proposals for extra staffing, Becker said.

"Staff leasing has continued to be a productive means of responding to new and revised legislation, federal and state policy changes and the implementation of grants. It allows for flexibility, so that depending on program needs and budgetary constraints, staff schedules may be adjusted," Becker said.

The committee consisted of Hurtado, Kenny, Surkis and Becker, with Kenny and Surkis recusing themselves, Becker said. Kenny, the department's planner, and Surkis, its fiscal manager, had retired from the town on the same day in November 2016 after serving in the department for decades. They were hired by Alcott days later on a prior contract with the department, town payrolls and information provided by the Gillen administration shows.

# for herself



the Department of Occupational Resources.

Alcott was the sole applicant, Becker said.

Hurtado, Alcott's then-president Louis Basso, and an auditor in the Occupational Resources Department signed the contract, a copy provided by the Gillen administration shows.

The contract stipulated: "Both parties agree to prohibit employees from using their positions for a purpose that is or gives the appearance of, being motivated by a desire for private gain."

In an email to Gillen's deputy chief of staff Rebecca Sinclair obtained by Newsday through a Freedom of Information request, Alcott human resources compliance specialist Jose Santiago wrote: "The new hire paperwork is submitted to Alcott by [Ana]Maria Hurtado."

Shorten, of Alcott, described the contract with the department as "a minuscule part of our business." The company has 6,000 employees nationwide, he said.

Becker said department officials first became aware of possible "budget issues" in April 2016, 11 months before Hurtado signed the most recent Alcott contract.

Funding from the federal Workforce Innovation and Opportunity Act, which provides the bulk of the department's revenue, dropped from \$3.5 million in program year 2016 to \$3.2 million in 2017, but rose to \$3.6 million in 2018, according to figures provided by Becker.

The department cut payroll in response to the budget crunch, he said, but its costs nevertheless exceeded funding in 2017-2018, the first year of

the current Alcott contract.

Gillen said she objects to covering the department's expenses without greater town board oversight of the agency. The board appoints the department's commissioner and deputy commissioner.

"The taxpayers are not supposed to be funding this department, it's supposed to operate within the confines of the federally allocated funds, as it has done for 40 years," she said.

Becker said the town had covered the department's expenses previously. The town paid the agency's rent for five years in the 1980s, he said.

"The ultimate responsibility for these federal grants lies with the Town, with DOOR acting as its fiscal agent. Consequently, the local government has a responsibility to fill any budgetary gaps," he said.

The town board in June 2018 voted to amend Hempstead's code to enable the department to receive town funding, and then voted in September to provide it \$762,900 to cover retirement payouts from 2016 and 2017. Those payouts included \$121,200 for Hurtado, \$206,400 for Kenny and \$241,700 for Surkis, according to the Gillen administration.

The department has typically covered such payouts with its federal funding, but due to the deficit, the town provided the funding, Sinclair said.

The three retirees also receive pensions that range from \$7,000 to \$10,200 a month, said Tania Lopez, a spokeswoman for the Office of the New York State Comptroller.

Becker said Hurtado agreed to stay on for two and a half years after her retirement to ensure a smooth transition in the department. Her responsibilities include budget and administration oversight, Becker said. Kenny and Surkis are training their replacements, he said.

In September 2018, Becker signed a contract extension with Alcott through June 2021. The Gillen administration said the extension violated town procurement rules and the town will put out a new RFP for staff leasing for the department.

## American Water users face hikes

BY MARK HARRINGTON  
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New York American Water customers in Nassau County face new surcharges this year of 4.33 percent to 5.07 percent under a set of proposals recently filed with state regulators.

Monthly bills for residential customers in Merrick, Lynbrook and Sea Cliff and surrounding service areas could jump from 97 cents for low-water users or up to \$6.34 for bigger users, according to filings with the state Public Service Commission.

In addition to those revenue and property tax surcharges, New York American Water is proposing separate system improvement charges that would raise bills by another 2.41 percent for Lynbrook-region customers, and 0.83 percent for Merrick and Sea Cliff customers, the company said.

A letter accompanying the surcharge requests says they would be instituted Aug. 1, but the company has since filed a letter amending the filing to request a Nov. 1 implementation date for the 4.33 percent to 5.07 percent surcharges.

Earlier this year, the company instituted a state-approved conservation rate that hiked average bills 7.95 percent in the Lynbrook area, 7.52 in Merrick and 1.82 in Sea Cliff, according to a public notice.

Ratepayers and watchdog groups who protested the company's already enacted four-year rate hike aren't happy about the newly proposed charges, some of which would take effect in August, others in November.

"There is no end to their audacity," said David Denenberg, executive director of watchdog group Long Island Clean Air, Water and Soil in Merrick, which has been pushing for a public takeover of the water company. "They know they can get it, and they know the state will allow them to charge it."

Department of Public Service spokesman John Chirlin said the agency was reviewing the

latest surcharge proposals and "should have a recommendation for the Public Service Commission by the end of the year."

Lee Mueller, spokeswoman for New York American Water, said part of the surcharge increase is related to higher property taxes, which "make up a significant portion of our customers' bills — up to 59 percent, depending on service area — and this mechanism serves to collect unpaid taxes, as well as unrealized revenue consistent with the rate plan."

In service area two, which includes Merrick and Sea Cliff, monthly bills for residential customers could increase between 97 cents for low users, or \$6.34 for high-users. Nonresidential customers in Merrick would see hikes of between \$1.84 and \$8.24 depending on usage, according to the filing.

In service area one, which includes Lynbrook and East Rockaway, a 6.47 percent increase will hike residential customer bills between \$1.70 and \$11.97. Nonresidential customers will see monthly increases from \$2.96 for low users, or \$13.09 for high users.

The company's filing includes a separate schedule of tax and revenue surcharges "for informational purposes" only for regulators that shows a 10.32 percent hike for Sea Cliff customers and a 4.33 percent hike for Merrick customers, if the charges were to be implemented separately. High users in Sea Cliff, under that schedule, would see a monthly increase of nearly \$20. Mueller said the company is not proposing such a plan.

The system improvement charges are for projects already approved and completed but not covered in base rates, Mueller said.

But one customer wasn't having it.

"It's really a slap in the face," said George Pombar, president of the Glen Head-Glenwood Civic Council, who noted his bill recently quadrupled because of summer sprinkler use. "Enough is enough."

HOWARD SCHNAPP