

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Christine C. Quinn
Speaker of the Council

Hon. Peter F. Vallone, Jr.
Chair, Committee on Public Safety



Hearing on the Fiscal 2014 Preliminary Budget & the Fiscal 2013 Preliminary Mayor's Management Report

The District Attorneys

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District Attorneys/Special Narcotics Prosecutor Overview

The five District Attorneys (DA’s) enforce the provisions of the penal law and all other criminal statutes. Their work involves the initial screening of new cases, preparation of hearings, gathering of resources for hearings, and presentation of cases in court for trial and appeal. The Office of the Special Narcotics Prosecutor (OSNP) enforces the provisions of the penal law relative to felony narcotics offenses and predicate felony cases by the investigation of complaints, preparation of indictments, and trial of defendants indicted on felony narcotics charges.

This report provides an overview of the District Attorneys’ and OSNP’s Preliminary Budgets for Fiscal 2014. In the first section the highlights of the Preliminary Budget are presented. The report then presents an overview the DA's budgets by office and an analysis of significant programs and initiatives included in the November and January Financial Plans.

Fiscal 2014 Preliminary Budget Highlights

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Personal Services	\$282,237	\$244,275	\$271,676	\$258,172	\$13,897
Other Than Personal Services	36,343	34,098	40,644	34,407	309
Agency Total	\$318,580	\$278,373	\$312,320	\$292,579	\$14,206

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

- **Super Storm Sandy.** The Manhattan DA (DANY) incurred \$744,353 in costs associated with Super Storm Sandy. DANY was the only one of the DA’s to receive Super Storm Sandy funds.
- **Investigative Division New Need.** DANY will receive \$7.5 million in additional baseline funding to hire “Confidential Investigators” to investigate major economic crimes. No specific staffing level has been associated with this funding.
- **Revenue Sharing Agreement.** Last June, DANY and the US Department of Justice (DOJ) reached a deferred prosecution agreement with ING Bank for \$619 million which, per the existing revenue sharing agreement with the state, yielded a city share of \$153.25 million to be split between the DA offices currently participating in the revenue agreement and the city’s general fund.
- **Deferred Prosecution Agreement (HSBC Bank & Standard Charter).** In December of 2012, the US Department of Justice (DOJ) and DANY reached a deferred prosecution agreement with Standard Charter and HSBC of \$327 million in a case dealing with falsification of financial records.
- **PEGs.** In order to meet their reduction targets, the DA’s will surrender \$1.2 million in PS savings in Fiscal 2013 growing to \$1.3 million in Fiscal 2014 and the outyears along with \$98,000 in OTPS savings in Fiscal 2013 dropping to \$97,000 in Fiscal 2014 and the outyears. The budget cuts equal 0.4-percent of their city tax levy budget in Fiscal 2013 and Fiscal 2014.

DAs/Special Narcotics Prosecutor Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Budget by Office					
DA-New York	\$50,167	\$49,288	\$52,455	\$51,401	\$2,112
DA-Bronx	87,341	79,990	83,886	82,303	2,314
DA-Kings	105,205	76,833	98,858	84,541	7,709
DA-Queens	49,347	46,861	51,536	48,959	2,098
DA-Richmond	8,690	8,064	8,239	8,099	35
OSNP	17,830	17,338	17,345	17,274	(64)
TOTAL	\$318,580	\$278,374	\$312,320	\$292,579	\$14,204
Funding					
City Funds	N/A	\$265,007	\$278,943	\$278,497	\$13,490
Federal - Other	N/A	169	6,161	58	(111)
Intra City	N/A	1,238	2,561	2,064	826
Other Categorical	N/A	0	5,185	0	0
State	N/A	11,959	19,470	11,960	1
TOTAL	\$318,580	\$278,374	\$312,320	\$292,579	\$14,204
Positions					
DA-New York	1,296	975	975	975	-
DA-Bronx	769	696	696	691	(5)
DA-Kings	1,014	891	891	891	-
DA-Queens	556	499	499	499	-
DA-Richmond	98	86	86	86	-
OSNP	203	185	185	185	-
TOTAL	3,936	3,332	3,332	3,327	(5)

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

Overview of DA's Budget Changes

The Fiscal 2014 Preliminary Budget for the City's prosecutors is \$292.6 million, \$14.2 million more than the Fiscal 2013 Adopted Budget of \$278.4 million. This is primarily due to baseline increases from the Workload Funding appropriations put into the DA's budgets. For Fiscal 2013, these funds amounted to \$13.3 million, an increase of approximately 6.6-percent over their Fiscal 2012 Workload Funding total appropriation of \$6.7 million. In Fiscal 2014, the funding will increase an additional \$6.7 million over the Fiscal 2013 appropriation. This is netted against a relatively small PEG amount for Fiscal 2014 of \$1.4 million.

- PEGs.** In order to meet their reduction targets, the DA’s will surrender \$1.2 million in PS savings in Fiscal 2013 growing to \$1.3 million in Fiscal 2014 and the outyears and \$98,000 in OTPS savings in Fiscal 2013 dropping to \$97,000 in Fiscal 2014 and the outyears. These reductions represent 0.4-percent of the DA’s city-funds budgets. The PEG’s value reflects the total savings associated with this PS reduction, but the fringe benefits portion of the savings is budgeted elsewhere in the city’s budget. Therefore the Financial Plan includes a related action that adds \$300,000 in Fiscal 2013 and \$327,000 in Fiscal 2014 to the DA’s budgets as an adjustment for the PEG credit. The PEG amounts for Fiscal 2013 and Fiscal 2014 by office are detailed in the chart below:

DA November 2012 PEG Program				
<i>Dollars in 000's</i>				
	PEG Programs			
	FY 2013		FY 2014	
DA Office	%	\$	%	\$
DA - Manhattan	0.4%	377	0.4%	382
DA - Bronx	0.4%	239	0.4%	252
DA - Brooklyn	0.4%	348	0.4%	365
DA - Queens	0.4%	224	0.4%	237
DA - Staten Island	0.4%	39	0.4%	40
OSNP	0.4%	82	0.4%	83
Total	N/A	\$1,309	N/A	\$1,359

The percentage cut imposed on the DA’s is the same as that imposed on the NYPD. Since Fiscal 2012, the Administration has matched the DA’s PEGs to those of the NYPD.

- Revenue Agreement Funds.** Last June, DANY and the US Department of Justice (DOJ) reached a deferred prosecution agreement with ING Bank of \$619 million. The settlement was split evenly between New York State and DOJ. The State and City also split their share evenly (\$153.25 million). DANY’s share amounted to \$12.987 million. Additional revenue from various sources was received by three other of the DA’s offices. Revenue totals recognized in the Fiscal 2013 are as follows:
 - DANY - \$12.987 million
 - Brooklyn - \$1.064 million
 - Queens - \$239,000
 - Staten Island - \$155,000

DA Offices

The following six tables display the budgets for each of the prosecutors from Fiscal 2012 actual spending through the Fiscal 2014 Preliminary Budget. Each shows spending and funding summaries.

901 - New York County

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services Subtotal	\$94,836	\$69,472	\$86,780	\$77,141	\$7,669
Full-Time Salaried - Civilian	92,397	68,402	85,667	76,028	7,626
Other Salaried and Unsalariated	565	582	582	582	0
Overtime - Civilian	1,128	99	101	83	(16)
Additional Gross Pay	747	327	301	301	(25)
Other P.S.	745	389	215	447	59
Other Than Personal Services	\$10,369	\$7,361	\$12,091	\$7,401	\$40
Supplies and Materials	\$1,829	1,277	\$1,928	1,225	(51)
Contractual Services	0	0	0	0	0
Property and Equipment	992	570	1,274	527	(43)
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	5,340	4,630	7,061	4,763	133
O.T.P.S. Other	2,207	884	1,828	886	2
TOTAL	\$105,205	\$76,832	\$98,871	\$84,542	\$7,710
Funding					
City Funds	N/A	\$72,776	\$85,576	\$80,031	\$7,255
Federal - Other	N/A	58	1,817	58	0
Intra City	N/A	655	1,110	1,110	455
Other Categorical	N/A	0	3,943	0	0
State	N/A	3,343	6,425	3,343	0
TOTAL	\$105,205	\$76,832	\$98,871	\$84,542	\$7,710

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

- **Investigative Division New Need.** DANY will receive \$7.5 million in additional baseline funding beginning in Fiscal 2014 to hire staff for their “Investigation Division” to work on major economic crimes. No staffing level has been detailed in the current financial plan.
- **Deferred Prosecution Agreement (HSBC Bank & Standard Charter).** In December of 2012, the US Department of Justice (DOJ) and DANY reached a deferred prosecution agreement with Standard Charter and HSBC totaling \$327 million related to falsification of financial records. These two current agreements are not subject to the Revenue Sharing Agreement. These current agreements were structured by the U.S. Attorney for the Eastern District of NY.

DANY must file a claim to receive funding for its role in the investigations, which ultimately led to the agreements. The claims will be filed under the “Equitable Sharing Agreement” with DOJ rather than the existing state revenue agreement. This means that the funding for which they are applying is officially part of the Federal Asset Forfeiture Program and, therefore, the restrictions that normally apply to federal asset forfeiture funds will also apply to the funds for which DANY will be filing the claim related to these two cases.

The use of Federal Asset Forfeiture funds is strictly circumscribed: They can only be used for law enforcement purposes, are restricted to law enforcement offices and cannot be used for “gap-closing” purposes. This is why none of the proceeds associated with these agreements will be going to the city’s general fund. None of the proceeds have been recognized in DANY’s budget yet.

- **Super Storm Sandy Costs.** The Manhattan DA (DANY) was the only one of the DA’s to receive Super Storm Sandy funds. These costs associated with the impact of Sandy totaled \$744,353 and are detailed in the chart below:

Super Storm Sandy Items in DANY's Budget:

<u>Item</u>	<u>Amount</u>
Buildings and Equipment	\$577,995
Super Storm Sandy - Other	\$120,746
Debris Removal	\$28,512
Emergency Protection	\$17,100
Total	\$744,353

902 - Bronx County

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services Subtotal	\$47,782	\$46,937	\$49,562	\$49,078	\$2,141
Full-Time Salaried - Civilian	47,010	46,583	49,208	48,724	2,141
Other Salaried and Unsalariated	127	18	18	18	0
Overtime - Civilian	787	228	228	228	0
Other P.S.	(142)	109	108	109	(0)
Other Than Personal Services	\$2,386	\$2,351	\$2,892	\$2,323	(\$28)
Supplies and Materials	483	240	432	185	(55)
Contractual Services	0	0	0	0	0
Property and Equipment	328	329	425	329	0
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	1,475	1,673	1,155	1,699	26
O.T.P.S. Other	100	110	880	111	1
TOTAL	\$50,167	\$49,288	\$52,454	\$51,401	\$2,112
Funding					
City Funds	N/A	\$45,942	\$45,765	\$47,794	\$1,852
Federal - Other	N/A	111	1,667	0	(111)
Intra City	N/A	582	954	954	372
Other Categorical	N/A	0	507	0	0
State	N/A	2,653	3,563	2,653	0
TOTAL	\$50,167	\$49,288	\$52,454	\$51,401	\$2,112

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

903 - Kings County

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services Subtotal	\$71,527	\$64,685	\$68,031	\$67,025	\$2,340
Full-Time Salaried - Civilian	65,317	63,224	66,520	65,564	2,340
Other Salaried and Unsalariated	3,141	1,016	1,016	1,016	0
Overtime - Civilian	609	181	181	181	0
Other P.S.	2,460	264	314	264	0
Other Than Personal Services	\$15,814	\$15,304	\$15,855	\$15,278	(\$26)
Supplies and Materials	217	823	595	647	(176)
Contractual Services	0	0	0	0	0
Property and Equipment	65	414	357	374	(40)
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	13,861	13,708	13,978	13,898	190
O.T.P.S. Other	1,671	359	924	359	0
TOTAL	\$87,342	\$79,989	\$83,886	\$82,303	\$2,314
Funding					
City Funds	N/A	\$76,878	\$77,674	\$79,192	\$2,314
Federal - Other	N/A	0	1,282	0	0
Intra City	N/A	0	511	0	0
Other Categorical	N/A	0	0	0	0
State	N/A	3,111	4,419	3,111	0
TOTAL	\$87,342	\$79,989	\$83,886	\$82,303	\$2,314

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

904 - Queens County

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services Subtotal	\$43,269	\$39,394	\$43,343	\$40,909	\$1,515
Full-Time Salaried - Civilian	40,656	38,865	42,860	40,376	1,511
Other Salaried and Unsalariated	47	216	216	216	0
Overtime - Civilian	528	218	318	218	0
Other P.S.	2,038	95	(51)	99	4
Other Than Personal Services	\$6,078	\$7,467	\$8,194	\$8,050	\$583
Supplies and Materials	525	498	492	507	9
Contractual Services	0	0	0	0	0
Property and Equipment	359	263	461	253	(9)
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	4,874	6,164	6,317	6,480	316
O.T.P.S. Other	321	542	925	810	268
TOTAL	\$49,347	\$46,861	\$51,537	\$48,959	\$2,099
Funding					
City Funds	N/A	\$45,274	\$45,659	\$47,372	\$2,098
Federal - Other	N/A	0	1,394	0	0
Intra City	N/A	0	0	0	0
Other Categorical	N/A	0	735	0	0
State	N/A	1,587	3,748	1,587	0
TOTAL	\$49,347	\$46,861	\$51,537	\$48,959	\$2,099

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

905 - Richmond County

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services Subtotal	\$7,479	\$6,935	\$7,099	\$7,229	\$294
Full-Time Salaried - Civilian	7,490	6,696	6,860	6,990	294
Other Salaried and Unsalariated	76	100	100	100	0
Overtime - Civilian	107	95	95	95	0
Additional Gross Pay	54	41	41	41	0
Fringe Benefits	2	3	3	3	0
P.S. Other	(250)	0	0	0	0
Other Than Personal Services	\$1,211	\$1,129	\$1,141	\$871	(\$258)
Supplies and Materials	100	120	139	120	0
Contractual Services	0	0	0	0	0
Property and Equipment	105	126	131	126	0
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	538	743	691	484	(259)
O.T.P.S. Other	468	141	180	141	1
TOTAL	\$8,690	\$8,064	\$8,240	\$8,100	\$35
Funding					
City Funds	N/A	\$7,926	\$8,050	\$7,961	\$35
Federal - Other	N/A	0	0	0	0
Intra City	N/A	0	0	0	0
Other Categorical	N/A	0	0	0	0
State	N/A	139	189	139	0
TOTAL	\$8,690	\$8,064	\$8,240	\$8,100	\$35

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

906 - Office of the Special Narcotics Prosecutor

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services Subtotal	\$17,344	\$16,852	\$16,861	\$16,790	(\$62)
Full-Time Salaried - Civilian	16,943	16,712	16,721	16,650	(62)
Other Salaried and Unsalariated	303	6	6	6	0
Overtime - Civilian	51	94	94	94	0
Additional Gross Pay	118	26	26	26	0
Fringe Benefits	13	15	15	15	0
P.S. Other	(85)	0	0	0	0
Other Than Personal Services	\$485	\$486	\$484	\$484	(\$2)
Supplies and Materials	98	99	116	99	0
Contractual Services	0	0	0	0	0
Property and Equipment	58	72	57	72	0
Fixed and Misc Charges	0	0	0	0	0
Other Services and Charges	283	212	274	210	(2)
O.T.P.S. Other	46	103	37	103	(0)
TOTAL	\$17,829	\$17,338	\$17,345	\$17,274	(\$64)
Funding					
City Funds	N/A	\$16,211	\$16,218	\$16,147	(\$64)
Federal - Other	N/A	0	0	0	0
Intra City	N/A	0	0	0	0
Other Categorical	N/A	0	0	0	0
State	N/A	1,127	1,127	1,127	0
TOTAL	\$17,829	\$17,338	\$17,345	\$17,274	(\$64)

**The difference between the Fiscal 2013 Adopted and the Fiscal 2014 Preliminary Budgets.*

Appendix A: Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
DA's as of Fiscal 2013 Adopted Budget	\$265,007	\$13,366	\$278,373	\$272,027	\$13,255	\$285,282
Program to Eliminate the Gap (PEGs)						
PS Savings	(\$1,211)	\$0	(\$1,211)	(\$1,259)	\$0	(\$1,259)
OTPS Savings	(98)	0	(98)	(100)	0	(100)
TOTAL, PEGs	(\$1,309)	\$0	(\$1,309)	(\$1,359)	\$0	(\$1,359)
New Needs						
Investigative Division (<i>DANY</i>)	\$0	\$0	\$0	\$7,500	\$0	\$7,500
TOTAL, New Needs	\$0	\$0	\$0	\$7,500	\$0	\$7,500
Other Adjustments						
PS Savings PEG Offset	\$300	\$0	\$300	\$327	\$0	\$327
Lease Adjustment (<i>DANY</i>)	67	0	67	0	0	0
Council Member Items (<i>DANY</i>)	40	0	40	0	0	0
Technical Adjustment (<i>Queens</i>)	322	0	322	0	0	0
Revenue Agreement (<i>DANY</i>)	12,987	0	12,987	0	0	0
Revenue Agreement (<i>Brooklyn</i>)	1,064	0	1,064	0	0	0
Revenue Agreement (<i>Queens</i>)	239	0	239	0	0	0
Revenue Agreement (<i>Staten Island</i>)	155	0	155	0	0	0
Detective Investigator (<i>OSNP</i>)	71	0	71	0	0	0
State Funding Adjustments	0	7,511	7,511	0	0	0
Federal Funding Adjustments	0	5,143	5,143	0	0	0
Other Categorical Funding Adjustments	0	5,185	5,185	0	0	0
Intra-City Funding Adjustments	0	2,177	2,177	0	827	827
TOTAL, Other Adjustments	\$15,245	\$20,016	\$35,261	\$327	\$827	\$1,154
TOTAL, All Changes	\$13,936	\$20,016	\$33,952	\$6,468	\$827	\$7,295
DA's as of Fiscal 2014 Preliminary Budget	\$278,943	\$33,377	\$312,320	\$278,497	\$14,082	\$292,579

Appendix B: Contract Budget

DA's Fiscal 2014 Preliminary Contract Budget			
Contract Category <i>(Dollars in 000's)</i>	Number of Contracts	Value	Pct of DA's Total
Contractual Services General	2	16	0.7%
Telecommunications Maintenance	4	323	15.1%
Maintenance & Rep Motor Vehicle Equipment	1	24	1.1%
Maintenance & Repair General	8	174	8.1%
Office Equipment Maintenance	16	298	13.9%
Data Processing Equipment	3	243	11.4%
Printing Contracts	2	152	7.1%
Security Service	2	344	16.1%
Temporary Services	2	42	2.0%
Cleaning Services	3	48	2.2%
Transportation Expenditures	3	80	3.7%
Professional Services Other	5	395	18.5%
Preliminary Budget	51	\$2,140	100%