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N.Y. pension losses may hurt McCall

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ALBANY — Rocked by choppy financial markets, the state pension fund has lost billions of dollars since it peaked in early 2000, a loss that could haunt state Controller Carl McCall in his quest to become governor.

Complicating matters for McCall, who controls the fund, is last week's collapse of Texas oil giant Enron, which took $58 million of the state's money down the drain with it.

McCall's office acknowledged the pension fund's share of Enron was beefed up twice in mid-November at a time when the stock was considered risky and its value was falling precipitously.

Insiders say Andrew Cuomo, McCall's rival for the Democratic nomination, and state Republicans are closely watching the $112 billion fund's performance and will likely use any major losses to attack McCall during the race.

"It's a legitimate issue," said Cuomo adviser Peter Ragone. "It's something that voters need to be informed about."

McCall spokesman Jeff Gordon said the controller has a strong record in managing the fund. "Our performance stacks up against anybody's. We've withstood the bad times much better than some of our peers," he said.

Gordon said outside managers who oversee portfolios for the fund — Oppenheimer and J.P. Morgan — made the decision to buy Enron shares on Nov. 16 and Nov. 20.

The fund — serving some 600,000 public employees and 300,000 retirees — has lost about $15 billion since its high mark of $127 billion in March 2000.

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