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COMPTROLLER MYCHAJLIW RELEASES REVIEW ON LEGISLATURE SPENDING

Spending practices and controls come under question

(Buffalo, New York) – Erie County Comptroller Stefan I. Mychajliw released his review of spending practices over a five year period at the Erie County Legislature.

The Legislature’s purchases and services deemed questionable were bought outside of official county purchasing policies, without the use of approved county contracts, and had no documentation to prove they had a genuine government purpose.

The Legislature spent almost \$5,000 for personal items like flowers, cakes, meals, shoe racks, toilet paper, stamps, potato chips, plastic utensils, tissues, cookies, even soil.

Findings painted a troubling picture of a serious lack of controls over increased spending, spending that appeared to be for personal and not government use, staff not following proper procedures on spending taxpayer dollars, and no oversight over staff reimbursing themselves for expenses.

“The manner in which taxpayer dollars were spent is troubling. We are concerned by the blatant misuse of county funds. The lack of oversight on spending leaves us disheartened.”

“Our office offered Legislators a series of recommendations to eliminate frivolous and questionable spending. This review can be used as a catalyst to implement much needed reforms that protect taxpayers,” said Erie County Comptroller Stefan I. Mychajliw.

First and foremost, the absence of a policy for spending taxpayer dollars is unacceptable, and our primary recommendation is that the body adopts a formal policy for purchasing items and incurring expenses. This policy should include designations for which job titles have the authority to approve an expense and which titles have the authority to incur the expense. In addition, the body should adopt a policy for employee and member reimbursement. Specifically, the policy should include designations for which job titles can approve purchases subject to reimbursement and which can incur the expense. The policy should also include the requirement for a reimbursement justification statement. It is also

strongly recommended that the legislature follow the law and, if possible, purchase from approved State or Local purchasing lists, or follow the appropriate bid process when purchasing goods. This simple recommendation will save the taxpayers thousands of dollars each year if implemented.

The multiple findings include:

- Staff reimbursements totaling \$4,655 and included individual bottles of soda, a four-tier shoe rack, toilet paper, three separate reimbursements for a single 45-cent stamp, even \$100 on flowers for the funeral of a staff member's family.
- One employee submitted and approved their own reimbursements, a serious lack of control that offers taxpayers no protection over potential fraud, waste, and abuse
- Leases for copy machines expired but were never cancelled by staff, forcing taxpayers to continually pay for copiers not needed or even used
- In one instance staff continued to pay \$2,108 for a copy machine that did not work and on a lease they themselves cancelled in August of 2012
- Internet access was still paid for a District Office that burnt down and was no longer in use, running up a bill of \$700 for Internet service not being used
- Professional photographers were hired unilaterally at \$150 an hour to take pictures at Legislature meetings without signing a formal contract and not putting the service out to bid
- Almost \$700 was spent steam cleaning chairs for one Legislator's District Office
- Six sheet cakes were purchased without documentation on what government purpose they were for. Two cakes had the messages "Good Luck" printed on them and a third had "Happy Birthday" on it
- A total of \$467.39 was submitted for food reimbursements without documenting the business purpose

"It is unconscionable for public funds to be spent for private use. Our mission as public servants is to be responsible stewards of taxpayer dollars," added Comptroller Mychajliw.

The review also found that improper controls over the county's purchasing contract with Office Max allowed the legislature to improperly purchase thousands of dollars in copiers and toner.

Spending on toner more than quadrupled from \$4,000 in 2011 to more than \$17,000 in 2013. Staff did not take advantage of a contract the county has with a company that recycles and refills used toner cartridges. Utilizing the proper vendor for toner cartridges would have saved taxpayers \$9,100 in 2013 alone.

Other alarming trends in increased Legislature spending:

- Spending on postage doubled from \$10,000 in 2010 to \$20,000 in 2013
- Office supply spending almost doubled in two years from \$16,000 in 2011 to \$30,000 in 2013
- Cost of printing legal notices skyrocketed in one year from \$2,000 in 2012 to \$9,000 in 2013, as a result of designating
- Spending on beverages like coffee, tea, hot chocolate, sugar, and creamers increased from \$500 to almost \$2,000 over the course of the review

“Spending was so out of control the Legislature even paid sales tax on two of their own purchases. Erie County is exempt from paying sales tax,” concluded Comptroller Mychajliw.

The Erie County Legislature passed a formal resolution requesting the Office of Erie County Comptroller to conduct a review of its own spending.

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