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ERIE COUNTY LEGISLATURE REPUBLICAN CAUCUS

April 16, 2013

Hon. Thomas Mazur
Chairman, Government Affairs Committee
92 Franklin Street - 4th Floor
Buffalo, New York 14202

Dear Chairman Mazur:

As you are aware, County Executive Poloncarz recently announced that Erie County has filed a lawsuit against the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The suit aims to collect millions of dollars in unpaid real estate transfer excise taxes. For every \$1,000 in home value, a seller must pay \$4.00 to New York State and \$5.00 to Erie County. These taxes have gone unpaid by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The amount of taxes claimed to be owed is in excess of \$2,000,000.

To litigate the claim, County Executive Poloncarz and the Erie County Attorney announced that the County has retained Cantor, Dolce & Panepinto, PC. It is our understanding that Cantor, Dolce & Panepinto, PC is also being considered to represent the County in a suit against Mortgage Electronic Registration Systems, related to practices used by the banking industry.

We have received several inquiries and expressions of concern regarding this issue. Some are concerned about the qualifications of Cantor, Dolce & Panepinto, PC. Others express concern about the appearance of impropriety, considering tens of thousands of dollars in donations listed on campaign finance disclosures. We are not equipped to respond to questions and concerns without proper information.

We request that a member of the administration attend the upcoming Government Affairs Committee meeting to discuss the suit briefly and to discuss the decision to hire the Cantor, Dolce & Panepinto, PC law firm to litigate these claims, as well as the fee structure to compensate the law firm. That firm advertises itself as a labor, employment and personal injury firm. The firm's website does not indicate experience in litigating tax or financial matters.

At the caucus prior to session last Thursday, the chair noted that she would direct the previous request from Legislators Dixon, Rath and Lorigo to be received and filed without discussion, because she did not

feel it was proper to micromanage the County Executive in areas solely within his control. Further, she stated that this was not done with the prior County Executive.

Such a claim is patently false. There are several instances of this body requesting information regarding issues solely within the County Executive's discretion and requesting the County Executive and/or his representative to appear to discuss decisions. Examples include the decision not to enter into a contract for substance abuse prevention and assessment services, the decision not to enter into a contract for the county to be the provider of WIC and progress on the appointment of a Central Police Services Commissioner. Each of the items received significant support from several legislators and some of them received unanimous support. As such, please accept this letter as a request for discussion on this topic.

Thank you for your consideration of this request.

Sincerely,



Lynne Dixon
Erie County Legislator
9th District



Edward A. Rath III
Erie County Legislator
6th District



Joseph C. Lorigo
Erie County Legislator
10th District



Kevin R. Hardwick
Erie County Legislator
4th District



John J. Mills
Erie County Legislator & Minority Leader
11th District

cc: County Executive Mark C. Poloncarz
County Attorney Michael Siragusa