



ERIE COUNTY COMPTROLLER
HON. STEFAN I. MYCHAJLIW

May 1st, 2020

Honorable Thomas P. DiNapoli
New York State Comptroller
110 State Street
Albany, New York 12207

Re: \$69 Million New York State Ventilator Rip-Off

Dear Comptroller DiNapoli;

We are writing to express our concern regarding media reports that an expenditure of \$69 million by New York State to purchase ventilators from a Silicon Valley electrical engineer that never came. Taxpayers may be on the hook for tens of millions of dollars for a product that never materialized. This is especially distressing to counties like Erie where massive cuts in jobs and services may come to fruition because of the anticipated loss of future sales tax revenue.

For this specific purchase, New York State was supposed to receive 1,450 ventilators at a cost of \$47,656 each. That appears to be three times the normal price. The supposed supplier is Yaron Oren-Pines, a man with no apparent record of developing medical devices. This is extremely troubling. We are asking your office to conduct an investigation/audit into how this happened and how we can retrieve these critically important taxpayer dollars. At a time when local governments like ours are struggling financially, a loss of \$69 million is devastating.

Erie County was in sound fiscal shape prior to this pandemic. As a result of New York PAUSE and the shutdown of our economy, Erie County now stands to lose as much as \$200 million in anticipated revenue. This far exceeds our annual discretionary budget. Additionally, the Erie County Clerk's office, a reliable revenue generator for our county, remains closed. The \$69 million wasted would have made a significant, positive impact on our finances. New York State cannot afford any additional losses.

We understand the urgency for purchasing such equipment. It is reasonable to assume during this crisis that typical procurement rules would have slowed the acquisition process. That being said, to reportedly pay someone \$69 million with no reliable track record, and not receive any product in return, is unconscionable. Unfortunately, unqualified vendors are taking advantage of governments and health care facilities desperate to treat those suffering from COVID-19.

There is no guarantee that New York State will recover the \$69 million. In the meantime, we want to be certain a situation like this does not happen again. Our state and local governments face dire economic challenges. We are asking you to conduct an immediate review of this situation and provide a report so that government leaders in New York State can be assured that moving forward we are taking all precautions to protect the physical and financial well-being of our communities and taxpayers.

Sincerely,



Hon. Stefan I. Mychajliw, Erie County Comptroller



Hon. Michael P. Kearns, Erie County Clerk