



STEFAN I. MYCHAJLIW

ERIE COUNTY COMPTROLLER

December 16, 2020

Rep. Jim Jordan
United States Congressman
2056 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Jordan:

Prior to the federal government passing another COVID related stimulus bill, the independent Office of Erie County Comptroller wants to make you aware of highly suspicious spending of the \$160 million in federal CARES Act funding allocated to the County of Erie. It is my job as Erie County's Chief Fiscal and Accounting Officer to monitor and report how this money is spent. At best some of the spending of Erie County's federal allocation of \$160 million meant to aid municipalities in the fight against the Coronavirus is questionable. At worst it can be categorized as fraud, waste and/or abuse.

One of many concerns is the awarding of \$19 million in business grants meant to support businesses crippled by economic closures. These federal funds were part of the \$160 million in CARES Act funds given to Erie County, which abdicated responsibility for awarding and rejecting these business grants to an independent company called 43North. This independent business entity is funded by New York State Governor Andrew Cuomo and local foundations.

According to the list of "winners" of the business grants funded by federal CARES Act funds, one recipient was WNY Media, a left-wing blogger on the political payrolls of the Erie County Democratic Committee (ECDC), Democratic Erie County Executive Mark C. Poloncarz and Erie County Democratic Party Chairman Jeremy Zellner.

According to public records from the New York State Board of Elections, the political committee for the Democratic Erie County Executive paid WNY Media \$10,176.50. ECDC paid WNYMedia \$9,837.65 and the Jeremy Zellner for ECDC Chair paid WNY Media \$2,000. It is highly suspicious that federal tax dollars are being given to a left-leaning, paid political operative that incessantly attacks Republicans and even cherished local institutions like Roswell Park Comprehensive Cancer Center.

While Major Tom's Drop Zone, a Hamburg, NY restaurant owned by three combat veterans, including one who is 100% disabled, was rejected for a CARES Act funded business grant by 43 North, they did award an ultra-liberal blogger that attacks Republicans a \$10,000 taxpayer funded grant. Included are screen captures of numerous tweets by WNYMedia, just awarded \$10,000 in federal CARES Act funds.

These offensive tweets include but are not limited to: doctored photos of a member of the Jacobs family, now Congressman Chris Jacobs, with a Nazi Swastika behind him; calling the Jacobs family, owners of Delaware North

company "White Pride;" comparing statewide County Clerks to being members of the KKK; and referring to Bronze Star recipient, war veteran and New York State Senator Rob Ortt as a "wretched hive of scum."

The left-wing blog also attacks Republicans at the national level. The \$10,000 in federal CARES Act funding can be used to fuel more attacks on Republicans and Conservatives, including past social media attacks including but not limited to: calling Republican Congresswoman Elise Stefanik "trashy;" stating President Trump is "Racist in Chief;" referring to former HHS Spokesman Michael Caputo as a "Nazi;" stating Alabama Governor Kay Ivey "will be heading straight to hell;" calling Senator Lindsey Graham and Congressman Tom Reed "dips---;" posting that Congressman Matt Gaetz is a "dumb f**k;" referring to Senator Rand Paul as "trash;" suggested conservative attendees of CPAC "immediately be rounded up and placed in mandatory quarantine camps until further notice;" stated "Fox News can f--- right off;" posted about Republicans during an interview with former Congressman Mark Meadows and wrote "vote these scumbags to the curb;" and said Trump supporters suffer from "mental illness."

We ask you the question: is this what Congress intended CARES Act funding to be spent on, a hyper-partisan blogger who posts vile and obscene attacks on Republicans?

This is just one of many concerns related to Erie County spending \$160 million in federal CARES Act money. Most recent payroll data shows salaried, political appointees were given overtime and holiday pay if they claimed they worked on COVID-19 related issues. These political appointees normally do not get paid overtime. So far CARES Act funds were used to pay \$5,008,837 in overtime for 1,112 employees working 96,755 overtime hours. Of that amount, \$1,052,972 in overtime was paid to 56 political appointees. The highest paid continues to be Erie County Health Commissioner Dr. Gale Burstein, who has taken in \$166,319 in overtime and holiday pay, in addition to her annual salary of \$202,312.

In addition to using federal CARES Act funds for political appointees to get paid overtime and holiday pay, Erie County is also spending considerable COVID funds to feed government employees and political appointees, often during a normal workday. As of December 4, 2020, approximately \$227,517.67 in COVID funds were spent to purchase food. Some of those food purchases include raw pork, pots and pans, and cutlery. A total of \$44,320.01 has been spent at one pizzeria, and another \$34,592.88 at one area bar and grill.

Our concern is that Erie County may not have appropriately spent these federal funds. If an audit or review takes place, there is the possibility that some money might have to be paid back to the federal government. This happened to the County of Erie in February 2013 when a FEMA audit claimed Erie County had to pay back the federal government \$48 million, because the agency stated the county did not provide proper reimbursement documentation on how that money was spent. I most certainly do not want that to happen to resources surrounding our \$160 million in CARES Act funding. If you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan I. Mychajliw, Jr.", with a stylized flourish at the end.

Stefan I. Mychajliw, Jr.
Erie County Comptroller