



STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER

December 16, 2020

Colleen Heidinger
President, 43North
1 West Seneca Street, Floor 24
Buffalo, New York 14203

Dear President Heidinger:

As you know from recent correspondence, I am eager to receive further information regarding the award of CARES Act funds to local businesses. In particular, I would like information regarding the awardees, those who applied but were not awarded funds, the criteria for awards, monies spent outside of grants on administrative costs and/or advertising and the process for granting awards. I receive complaints and concerns about this program on a daily basis. The complaints come from individuals curious about the process, businesses not receiving an award, individuals concerned about how the funds are being distributed, as well as others.

I wish to share with just one concern brought to my attention, which mirrors concerns made by others. An award was made to a purported business in Marilla. However, the address of the recipient is in a location which does not permit the operation of a business. The concern is that the person does not actually operate a business. In the alternative, the person is operating a business improperly against regulations. Or, there may be some other reason. Clearly this would disqualify them from being eligible from receiving a back to business grant.

This concern expressed to my office is not entirely unique, and is similar to other questions asked about whether awardees are actually operating a business, or whether the business was established for the sole purpose of collecting an award from this program, as well as possible other programs.

We also ask that you please review the list of grant awardees that was publicly posted on WGRZ.com. It is our understanding that private information like Social Security numbers may have been posted in the public domain. While identity fraud is a serious concern, others have brought it to the attention of the Office of Erie County Comptroller that you may have inadvertently granted awards to individuals and not businesses at all. That the reason why individuals shared a social security number is that they do not register as a business or even have a formal tax ID number. If true, then 43 North may have awarded business grants to individuals, or these entities have been operating a business without paying taxes.

As such, I repeat my request for the above-stated information, as well as information that I have previously requested. Questions arise daily and the lack of transparency only exacerbates those concerns. In the meantime, if you have any questions or information which could assist in making this program more transparent, do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan", is written over a blue ink stamp of the signature.

Stefan I. Mychajliw, Jr.
Erie County Comptroller

CC: Hon. April N.M. Baskin, Erie County Legislature Chairwoman
Hon. Joseph Lorigo, Erie County Legislature Minority Leader