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COMPTROLLER: POLONCARZ ADMINISTRATION CONTINUES PILING UP FOOD CHARGES ON COUNTY CREDIT CARD

Imprest Fund used to feed county workforce, expenses lack proper receipts

(ERIE COUNTY, NY) – The Office of Erie County Comptroller today released a report on county charges to the Imprest Fund, which is essentially the county’s credit card for what is supposed to be smaller purchases. The Imprest Fund allows for the county to buy things without the normal regulations and safeguards that would typically be required for certain items, like putting purchases out to public bid for the lowest possible cost. Legislature approval is not needed for Imprest Fund purchases.

In June of 2019, the Erie County Legislature doubled the ceiling for the amount of money the Poloncarz Administration can spend using the Imprest Fund without putting purchases out to bid. Prior to its passage the Administration could spend \$10,000 or less on the “county’s credit card” or Imprest Fund. Now the spending limit is \$20,000.

The report found that, for calendar year 2020 a total of 323 transactions have been made using the Imprest Fund for a total of \$132,409. Of that, at least \$151.09 has been paid in sales tax, even though the County of Erie is exempt from paying sales tax. The County of Erie is reimbursing the cost of items bought with the Imprest Fund using the \$160 million in federal CARES Act funding meant to be used only for combatting COVID-19. Other irregularities include but are not limited to:

- Thousands of dollars in food purchases without proper documentation like receipts
- Erie County paying sales tax when it should not have
- Purchase of: ice cream treats, snacks, television sets, ice making machine, frozen chicken fillets, backlit computer keyboards, hair nets, ink cartridges, garbage cans, and forklift parts

Under provisions found in the federal CARES Act that governs how Erie County can spend its \$160 million share, it does not specifically mention food purchases for employees.

This guidance clearly permits food expenses for individuals housed in the hotel rented by the County for individuals with no other safe housing options and who are battling COVID-19. This qualification as a permissible expense is bolstered by the guidance listing among permissible expenses “expenses for quarantining individuals.”

Expenses for food delivery to residents are permitted, if meals are used for senior citizens and other vulnerable populations, to enable compliance with COVID-19.

The legislation allowed for providing food to individuals housed in an area hotel rented by Erie County who are battling COVID-19 but have nowhere else to go. However, the Imprest Fund was also used to feed county workers who would have already been on the job in a typical work-day. Under normal circumstances, the workforce would not be provided meals using public dollars.

“The majority of Imprest Fund expenses are food. More than half the charges lacked documentation. It is critically important to have proper supporting receipts and explanations as to why these purchases were made. If the federal government audits COVID-19 related expenses, Erie County will have a lot of explaining to do. We must protect taxpayer dollars and provide transparency. Sloppy bookkeeping and lack of receipts could mean Erie County pays back a lot of money to the federal government. I don’t want that to happen. The Poloncarz Administration must clean this up now, before the feds come back for this money later,” warned Erie County Comptroller Stefan Mychajliw.

While CARES Act legislation requires Erie County to provide documentation supporting any expense drawn from that funding, the Comptroller’s report found that of the 323 Imprest Fund transactions, 194 had insufficient documentation. In other cases, the description given for purchases was vague. As such, the county’s data processing system (SAP) does not have sufficient information to determine if certain expenditures were appropriate. The report analyzed expenditures through October 13, 2020.

The Office of Erie County Comptroller recommends further examination as to whether using the Imprest Fund to pay to feed the county workforce during a regular work day is appropriate, and to examine how to better protect taxpayer dollars, so that Erie County eliminates instances of paying sales tax when it is not required to do so. In addition, improved documentation of spending would provide for more transparency in how Erie County government is spending these funds.

“How can Erie County justify spending federal dollars on ice cream treats, snacks, chicken fillets and pizza to battle the Coronavirus? The Poloncarz Administration has to improve accountability of federal expenses. The federal government might determine that Erie County wasted taxpayer dollars and did not spend them appropriately. If that’s the case, the Poloncarz Administration may have to pay some money back to the federal government. I would encourage the County of Erie to clean up its act now, rather than be held accountable by the federal government later,” concluded Comptroller Mychajliw.

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