



# STEFAN I. MYCHAJLIW

## ERIE COUNTY COMPTROLLER

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### **COMPTROLLER REPORT: GOVERNMENT SPENT MORE THAN \$130,000 ON FOOD CHARGED TO FEDERAL COVID FUND**

*Erie County Legislators formally requested the Office of Erie County Comptroller to provide detailed breakdown of COVID-19 food purchased at taxpayers' expense*

**(ERIE COUNTY, NY)** – Erie County Comptroller Stefan I. Mychajliw, Jr. released a report to the Erie County Legislature today detailing food purchases made by the Poloncarz Administration and charged to the \$160 million federal COVID Fund. County lawmakers made the request to further review COVID expenditures, which includes more than \$3.2 million in overtime and holiday pay costs for salaried, political appointees and union workers.

The report reviewed available receipts and invoices for food purchases from the start of the pandemic right up to July 29<sup>th</sup>, 2020. Those food purchases billed to the COVID fund totaled more than \$130,966 over five months. There were 386 different food purchases made over approximately 151 days. The report also found numerous concerns about how Erie County government spent taxpayer dollars on food during the COVID-19 crisis, including, but not limited to:

- Erie County purchased “communal food” like sheets of pizza and buckets of chicken wings, despite the American Industrial Hygiene Association’s (AIHA) warnings that sharing communal meals runs a higher risk of spreading COVID-19
- If the Erie County Health Department can shut down restaurants for serving communal food, why is Erie County government doing the same?
- Most food purchases were not supported by adequate documentation. In fact, there was no documentation for \$22,000 in food purchases. Many of the food purchases lack any documentation on where it was delivered, who it was for and what was the purpose of the food order
- Even though Erie County government is exempt from paying sales tax, it was charged sales tax for many COVID-19 food purchases
- Erie County submitted some meal purchases for federal reimbursement that were not within the eligible time frame allowed by the federal government, including groceries purchased before the CARES Act passed
- Duplicate payments for the same meal orders were made to at least two food providers

- Many “non-food items” were purchased including pots, pans, cutlery, burners and spatulas
- The credit card of a Volunteer Fire Company was used for one food purchase, yet the reimbursement check was made out to an individual rather than the Fire Company that paid for it
- In one instance someone purchased “raw pork chops” and billed it for federal reimbursement to the federal COVID-19 fund, clearly not a prepared meal for employees
- Erie County paid numerous “paper bag fees” at local stores, rather than utilizing reusable bags
- Lunch billed to the COVID-19 federal for the Office of County Executive on Saint Patrick’s Day, March 17th totaling \$146.96 billed to the COVID fund with no supporting documentation

“The Erie County Health Department would shut down a bar or restaurant immediately if inspectors caught them serving communal food. That is one way to quickly spread COVID-19. Why is Erie County government doing the same, serving communal food in a way that increases the spread of Coronavirus? The Erie County Health Department has no problem closing restaurants for doing the same exact unhealthy and unsafe handling of food they themselves are doing,” said Comptroller Mychajliw.

Of the \$130,966 in food purchases by Erie County government billed to the federal COVID fund, \$19,162 was expended on food delivered to an area hotel that is being rented by Erie County to house individuals who do not have a safe place to recover from COVID-19.

The United States Treasury Department specifies that the expenditure of CARES Act funds must be deemed “necessary,” with expenses allowed for food delivery to residents, specifically vulnerable populations. The guidance allows for providing meals to those being housed in this while recovering from COVID-19. The federal government’s parameters, however, make no mention of food expenses for employees. Most of the food purchases made were for Erie County workers.

The New York State Comptroller’s Office has also said that meal expenses charged to a government entity are proper if a government official is traveling outside the work area for business or is prevented from taking a normal meal break because immediate needs relative to their work task must be met. The office makes no mention of expensing meals for employees while performing regular workday functions.

While documentation shows that at least 10,913 meals were purchased, with 1,911 of them to the local hotel, it is impossible to know the exact number of meals purchased because of lack of information in the documentation provided. There were 53 different days where lunch purchases were delivered to the Rath building and charged to COVID, at a time of day when essential employees would typically already be at work for their regular shift.

Should the federal government conduct an audit, and proper documentation is not available, there is concern that repayment could be required. Erie County’s data processing system (SAP) lacks enough information or details to determine what charges may be appropriate

“The Legislature formally requested this information. Our office gathered the data. We completed the report. Now Legislators have guidance as they continue to examine how the Poloncarz Administration spends \$160 million in federal COVID funds. This report raises serious questions. Hopefully lawmakers can get answers to issues that have been raised. I encourage the Legislature to dig deeper to determine whether or not these food purchases are permissible under the law,” concluded Comptroller Mychajliw.

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