



STATE OF NEW YORK  
**Authorities Budget Office**

P O Box 2076  
Albany, NY 12220-0076  
WWW.ABO.STATE.NY.US

e-mail address:  
info@abo.state.ny.us

Local:518-474-1932  
Toll Free: 1-800-560-1770

March 5, 2012

Mr. David B. Erwin  
Chairman  
Town of Erwin Industrial Development Agency  
117 West Water Street  
Painted Post, New York 14870

Dear Mr. Erwin:

In August 2011, the Town of Erwin Industrial Development Agency received a letter that compelled its board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. In an August 26, 2011 letter from yourself and Ms. Rita McCarthy, Chief Executive Office of the IDA, you indicated that the required information was entered into the Public Authorities Reporting Information System (PARIS). Town of Erwin Industrial Development Agency, however, never certified these reports as complete or officially submitted them to the Authorities Budget Office.

As of March 5, 2012, the Town of Erwin Industrial Development Agency remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. Town of Erwin Industrial Development Agency has not filed the following reports with this Office:

- Annual Report for fiscal years ending 12/31/2009 and 12/31/2010
- Audit Report for fiscal years ending 12/31/2009 and 12/31/2010

Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law and Policy Guidance 11-02: "Enforcement Powers of the Authorities Budget Office", issued February 10, 2011, the Authorities Budget Office is sending this official letter of censure to the board of directors of the Town of Erwin Industrial Development Agency.

As a public authority, the Town of Erwin Industrial Development Agency is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of your collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance with state law. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your obligations under state law is unacceptable. This continued inaction demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this delinquency and letter of censure may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Town of Erwin Industrial Development Agency into compliance, the Authorities Budget Office may take additional steps, including initiating legal action, to access the records, books, and financial documents of the Authority, and/or recommending the removal of the board of directors.

Sincerely,



David Kidera  
Director

cc: New York State Senator Thomas F. O'Mara  
Assemblymember Philip A. Palmesano