

# NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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## **Audit Uncovers Significant Issues in CARES I Grant Program & Calls for Increased Oversight and Accountability**

*Kingston, NY (March 11, 2024)* -- The Ulster County Comptroller's Office released the Audit of the Ulster County CARES I Grant Program today. The CARES I Program was funded with federal Coronavirus Aid, Relief, and Economic Security Act funds and grant awards were announced on December 24, 2021.

The audit of the Ulster County Small Business CARES I grant program uncovered several significant issues. Deviations from eligibility requirements and misalignment of expenditures with legislative intent were identified. Findings revealed grants awarded to ineligible recipients, including those who exceeded the income threshold and residing outside of Ulster County. Notably, funds were used to fit up an Airbnb in one instance. Moreover, a potentially fraudulent award resulted in a \$15,000 loss to County taxpayers, and there was a failure to meet IRS informational return filing requirements. Addressing these issues is crucial for transparency, accountability, and ensuring effective fund allocation to support Ulster County businesses while safeguarding taxpayer resources. It's important to acknowledge the recent leadership change within the Office of Economic Development and clarify that the audit findings are not associated with the new Administration.

"This audit underscores many of the same findings of the CARES II audit. We must redouble our efforts to ensure that program implementation is aligned with legislative intent. Ulster County had a once in a lifetime opportunity to provide grants to small businesses and while some businesses found this a major support through the pandemic, unfortunately some funds went to ineligible businesses and to support businesses that are counter to current County priorities. Taxpayers rely on County staff and appointed boards to provide structure and oversight for these programs. By the time a program like this comes to the Comptroller's Office for review, the funds are already spent. I appreciate that new economic development leadership has expressed an interest in addressing these issues."

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