

NEWS FROM ASSEMBLYMAN MARC MOLINARO

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MOLINARO, MURRAY: MISMANAGEMENT SHOWS NEED FOR MTA AND COMPTROLLER ACTION

Lawmakers respond to Comptroller report outlining MTA's real estate failures

Assemblymembers Marc Molinaro (R,C,I-Red Hook) and Dean Murray (R,C-East Patchogue) today called on the Metropolitan Transportation Authority (MTA) and State Comptroller to implement greater oversight measures following an audit that revealed significant MTA mismanagement. Molinaro and Murray said that the Comptroller's report, which outlined the MTA's failure to capitalize on its significant real-estate holdings, is further evidence that the MTA needs a massive overhaul. They also called on the Comptroller to release additional information related to poor management at the MTA.

"Today's news follows a seemingly-endless string of reports showing significant mismanagement stemming from a lack of accountability and transparency at the MTA," said Molinaro. "While I commend the efforts of the Comptroller in releasing this information regarding a specific aspect of MTA inefficiency, many questions have been left unanswered concerning the breadth of MTA waste and the Comptroller's intentions regarding a solution. I ask that the Comptroller release the findings of his other investigations and conduct a full, third-party forensic audit. Only by examining expenses, contracts, and full budgets, will we be able to rectify an agency whose reliance on taxpayers grows annually while the services that the MTA provides diminish."

"The Comptroller's finding on the MTA is not surprising and just highlights the costly mismanagement that has impacted commuters and taxpayers for decades," said Freshman Assemblyman Dean Murray. "The MTA, in our economic crunch, needs to make the most of its financial assets, especially its real estate holdings. MTA properties are in one of the most lucrative real estate markets in the world, so why are they not utilizing every opportunity to generate revenue? It is infuriating to hear that the MTA is failing to collect rental revenue, actively seek tenants, and effectively market their assets to fill their prime metro properties."

The audit found that the MTA does not publish a report listing its real property, as required by law. According to the audit, the MTA's attempts to compile such a list was riddled with omissions and inaccuracies. For example, 148 rental units were not owned by the MTA but the agency listed them as vacant. It also revealed that the MTA hired a consultant to find revenue-generating in its real estate holdings but spent \$6 million to maintain two essentially vacant lots, failed to sell approximately \$12 million of rights above properties, and leased space from others for \$25 million without demonstrating if their own vacant properties would suffice.

Molinaro and Murray renewed their call for an MTA oversight board, an end to the MTA payroll tax, and an Inspector General investigation into the misappropriation of taxpayer funds.