

Lawmakers demand MTA audit, halt of tax

Ken Valenti • Gannett News Service • March 13, 2010

WHITE PLAINS — Leaders from the northern areas of the Metropolitan Transportation Authority region stepped up the call Friday for Albany to remove the tax on employers that supports the MTA, and also demanded a "forensic audit" of the transit giant's spending.

"This region is hemorrhaging jobs," said Assemblyman Greg Ball, R-Patterson, faulting the payroll tax for making things worse. "More and more businesses are going out of business."

Ball said the audit would look for "criminal" accounting in what he called "the MTA's crooked books."

The officials, many from Dutchess, Westchester, Putnam and Orange counties, issued their call on the steps of the Michaelian Office Building, the seat of Westchester County government.

MTA spokesman Aaron Donovan declined to comment on the call to end the payroll tax, or on Ball's comments about "cooked books." But he released a statement saying the agency had no objection to an audit.

"The rescue legislation passed last spring (by the state Legislature) authorizes a forensic audit, and we welcome it," the statement said. "In the meantime, the MTA is focused on overhauling how we do business to ensure that every dollar counts by cutting administrative costs, consolidating functions and renegotiating contracts."

Assemblyman Marc Molinaro, R-Red Hook, said, "Reports of egregious abuse of tax dollars by a senior MTA official should serve as a wake-up call for the state and the public. Despite annually relying on taxpayers for billions of dollars, the MTA has been accountable to no one. When it was revealed that over ten percent of the MTA work force earned triple-figured salaries; when the Legislature looked to a job-killing MTA payroll tax that drove businesses from the Hudson Valley; and when the MTA continually demanded that taxpayers bail it out when revenue projections fell short; my answer was: not until you open your books."

MTA Chief Executive Jay Walder has said the payroll tax enacted last year is essential to the agency. The MTA is facing an \$800 million deficit that it is handling by cutting services and eliminating more than 1,000 jobs, including hundreds of layoffs.

At the end of the press conference, the officials signed an oversized copy of a letter to state Comptroller Thomas DiNapoli to conduct the audit.

Assemblyman Robert Castelli, R-Goldens Bridge, said he wanted to give Walder the benefit of the doubt for his call to overhaul the nation's largest transit agency, but also said the comptroller's work in looking at the funding was necessary.

"I don't think that (Walder) can do it alone," he said. "This cannot be done in a vacuum."

The tax of 34 cents per \$100 of payroll is paid by businesses, local governments, hospitals and nonprofits in the 12-county MTA region.

It brought in about \$790 million last year and is projected to bring in \$1.7 billion this year.

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Officials noted Friday that representatives on the Metro-North governing board from Putnam, Rockland, Orange and Dutchess counties get a quarter vote each, while the other counties, including each borough of New York City, get a full vote each.

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NO, I have *some* rules!

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