



Mount Vernon City School District

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January 26, 2023

The Honorable Letitia James
Attorney General
Office of the NYS Attorney General
The Capitol
Albany, NY 12224-0341

Dear Attorney General James,

The Mount Vernon City School District (MVCSD) Board of Education is compelled to bring to your attention the obvious malfeasance and possible criminality of unknown elected or appointed actors within the governmental structure of the City of Mount Vernon (CMV). On behalf of the community's residents and our schools, we urge an immediate investigation and resolution to avoid severe impacts to our community's students and families.

There are two parts to this grim story, the first of which has already been publicly and privately acknowledged by the City. The second part is still being determined by our school district staff and outside consultants. In both cases, it appears that millions of dollars in school taxes collected (or not collected) by CMV on behalf of the MVCSD, has never been transferred to the District, as the law prescribes.

As you may know, CMV was historically the party that collected school taxes for MVCSD. Chronic dysfunction in the business offices of CMV ultimately compelled the MVCSD Board of Education to begin collecting its own school taxes after the conclusion of the 2019-20 school year on June 30, 2020.

Through interactions with CMV business staff and data requests that we filed, our school district staff, along with outside financial consultants, identified that as of June 30, 2020, **the City had not transferred school taxes in the amount of \$11,734,627 to MVCSD as was legally required.** Our shock at the failure of CMV to properly transfer the funds, in addition to the time and cost incurred by the District to ascertain the actual amount, is only exceeded by our collective outrage.

CMV officials have fully acknowledged that the money is owed to MVCSD, yet they have advised the District representatives that the City does not currently have a feasible path toward payment. This begs the question: what did CMV do with the \$11,734,627? Collection and transfer of taxes by one governmental body to another is a rudimentary exercise in intermunicipal cooperation. To the MVCSD, the CMV's failure to transfer the funds is certainly abject malfeasance; however, the fact that the funds *don't apparently exist* within the coffers of CMV strongly implies the possibility of criminal activity.

CMV has a statutory obligation to enforce tax collection through foreclosure proceedings. Because the process can be lengthy (often including sale of property and bank participation) the municipal agent (in this case, CMV) has up to two years to make the District whole for uncollected taxes. Whether the City commences a foreclosure action or not, the City must make the District whole for uncollected taxes.

Historically, CMV transfers approximately \$6 million in uncollected taxes to MVCSD each year in fulfillment of its statutory tax enforcement responsibilities. However, since MVCSD began collecting its own school taxes in June, 2020, CMV has made no payments to the MVCSD for uncollected school taxes. The uncollected taxes for the 2020-2021 school year are due on or about February 21, 2023. The uncollected taxes for the 2021-2022 taxes will be due in 2024. The District's consultants, having studied some of the existing data, have put a preliminary figure of \$12.3 million in unpaid school taxes for MVCSD for the 2020-2021 and 2021-2022 school years.

Therefore, we assert that CMV has withheld (and doesn't have) \$11,734,627 in school taxes it should have already paid to MVCSD. In addition, another \$5,953,435 for the 2020-21 school year will be due by June 30, 2023 and \$7,786,038 for the 2021-2022 school year will be due by June 30, 2024, for an additional \$13,739,473 over the next 18 months. Further, if history is a guide, CMV will always have a requirement to transfer late school tax payments in the amount of approximately \$6 million per year, each year thereafter.

Impact

Ms. James, as you know, MVCSD is a high-needs community, and our schools rely on both state/federal aid and local taxation to supply our students with their required education. When local taxation has been compromised by illicit, possibly criminal activity, our schools suffer the consequences. Right now, our district is identified by the State Comptroller as being under significant fiscal stress. Our creditworthiness has deteriorated, cash flow is tenuous, and our fund balance has shrunk to unimaginably low levels. We have been unable to make ordinary, yet critical repairs to our schools, owing to the tens of millions that CMV has not transferred. We are in a period of rapidly accelerating financial decline, with future impacts undoubtedly resulting in school closings, program cutbacks and staff reductions.

Our students and families cannot be the victims of the appalling actions of CMV. We have contacted our NYS representatives for emergency assistance in this legislative session, and our community is going to rally in support of our schools. CMV must be held accountable, if only to help underscore the victimization of MVCSD as a compelling reason to have our elected state representatives support emergency assistance to our schools. But we also believe that the utter mess that is CMV must, for once and for all, be cleaned up. Thousands of lives have been and continue to be impacted by their historic dysfunction. We implore you, and those copied below whose job it is to root out governmental integrity issues, to dedicate resources to uncover what has happened here and set a new path for the future of our community.

Sincerely,


Adriane Saunders, President

Mount Vernon City School District Board of Education
(On behalf of the Board of Education)

Cc: *New York State Comptroller Thomas DiNapoli*
State Senator Jamaal T. Bailey
State Assemblyman J. Gary Pretlow
Westchester County District Attorney Miriam E. Rocah
Westchester County Executive George P. Latimer
Westchester County Legislator Tyrae Woodson-Samuels