

December 10, 2020

The Honorable Justin Muzinich  
Deputy Secretary of the Treasury  
U.S. Department of Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

The Honorable Brian D. Miller  
Special Inspector General for Pandemic Recovery  
U.S. Department of Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

Dear Deputy Secretary Muzinich and Special Inspector General Miller:

We write to you today with an urgent request that you open an investigation into how the Town of Hempstead (the Town) is spending the \$133 million it received through the Coronavirus Relief Fund under the CARES Act (P.L. 116-136).

The Town is located entirely within Nassau County, New York and due to an unanticipated quirk in the formula used to award the Coronavirus Relief Fund, the Town was the only township in the country to receive funding through this Fund. In fact, it received more funding than the county in which it is entirely located. Since May, when the Fund was disbursed, the Town of Hempstead Supervisor has been charged with the critical responsibility of ensuring this funding was distributed meaningfully and quickly to assist the Town's residents with surviving the COVID-19 pandemic.

However, recent hearing documents have raised questions about how the Town of Hempstead is planning to use this funding. The Treasury Department's guidance explicitly states that the Coronavirus Relief Fund may be used to cover: "... expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures."<sup>1</sup>

Specifically, on Tuesday, December 8, the Town allocated \$43,649,245 of the CARES Act funding to the "Sanitation Operating Fund" and \$17,345,824 to the "General Fund," with little to no detail on what these allocations will be used for. Further, the hearing documents show that the Town has left more than one million dollars unbudgeted and is planning to use the funding to cover costs associated with ambiguous items like "Parks Operating" and "Water Operating."<sup>2</sup>

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<sup>1</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>; last accessed on December 10, 2020.

<sup>2</sup> <https://hempsteadny.gov/files/tbdocuments/20201208-resolutions.pdf?v1.3>; last accessed on December 10, 2020.

The lack of transparency with regard to how the CARES Act funding is being spent by the Town and the length of time it has taken the Town to spend this money – the deadline for expenditures is quickly approaching and these hearing documents were just made public – necessitate an immediate investigation. As elected officials from the region, we implore your offices to provide much needed oversight here so that our communities, who have already been through so much, can survive the winter.

We thank you for your consideration of this request and look forward to your response.

Sincerely,



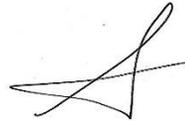
Kathleen M. Rice  
Member of Congress



Laura Curran  
Nassau County Executive



Todd Kaminsky  
New York State Senate



Kevin Thomas  
New York State Senate



Anna Kaplan  
New York State Senate



John Brooks  
New York State Senate