



STATE OF NEW YORK
Authorities Budget Office

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October 1, 2013

Mayor Linda Witte
Chair
Olean Local Development Corporation
101 East State Street
Olean, NY 14760

Dear Mayor Witte and Directors of the Olean Local Development Corporation:

The **Olean Local Development Corporation** failed to file Annual and Audit Reports for the fiscal years ending May 31, 2012 and May 31, 2013, and a Budget Report for the fiscal year ending May 31, 2014. As a result, the Olean Local Development Corporation was included on published lists of state and local authorities that are out of compliance with state law. These lists were released by the Authorities Budget Office (ABO) in July 2012, January 2013, and July 2013.

On February 27, 2013, the ABO sent a letter compelling the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. In a March 6, 2013 letter you responded "OLDC continues to work towards the accountability and reporting requirements of the Public Authorities Law." In a March 6, 2013 email response the ABO instructed the authority that "that the Olean Local Development Corporation will continue to be shown as delinquent until all reports are submitted in PARIS."

As of October 1, 2013 the Olean Local Development Corporation remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. In addition, our records indicate that the board has failed to meet its statutory obligation to participate in mandatory training that focuses on the governance, accountability and ethical responsibilities of directors. Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law, the ABO is sending this official letter of censure to the board of directors of the Olean Local Development Corporation.

As a public authority, the Olean Local Development Corporation is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of the board's collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your legal obligations is unacceptable. This behavior demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this censure letter may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Olean Local Development Corporation into compliance, the ABO may take additional steps, including initiating legal action, to access the records, books, and financial documents of the authority.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Kiderra".

David Kiderra
Director

cc: J.R. Bennion, Board Member
Mary George, Board Member
Ann McLaughlin, Board Member
Brian O'Connell, Board Member
Fred Saradin, Board Member
Colleen Taggerty, Board Member
Tom Windus, Board Member
John Sayegh, Board Member
Wendy Peterson, Board Member

Assemblyman Joseph Giglio
Senator Catharine Young