



November 22, 2024

Thomas DiNapoli
New York State Comptroller

VIA EMAIL

Re: Request for comprehensive audit of Western Regional Off-Track Betting Corporation

Dear Comptroller DiNapoli,

We appreciate the years of work you and your staff have devoted to making New York State and local government spending more transparent and accountable to the public.

We write today to request that you conduct and publish a comprehensive audit of all aspects of Western OTB's activities including revenue and expenses, procurement, investment, management systems, governance, and public transparency and accountability. Additionally, we ask that your audit answer basic questions about the public benefit provided by Western OTB. The public should know if the economics of the authority make sense. For instance, what net financial return is provided to local governments by horse racing revenue streams versus Video Lottery Terminals and casino gaming? How much are transfer payments to local governments really worth after the cost of tax abatements and other subsidies are subtracted?

We are aware that OSC's Division of Local Government and School Accountability (LGSA) audited the [Western OTB marketing program](#) and [use of take-home vehicles](#) in 2021. We are also aware that OTB was extensively investigated by state and federal authorities for misconduct by members of the board of directors. However, we are asking your office to take a top-to-bottom look at Western OTB that answers fundamental questions about the public benefit provided by Western OTB, the board's fulfillment of its fiduciary duty and independence from partisan political considerations that directly affect hiring, procurement, and spending decisions.

We draw your attention to a steady stream of news stories about government officials exploiting Western OTB – a public authority – to benefit themselves, family members, and political confidantes. We hope you share our concern about the golden parachutes for departing executives, nepotistic hiring, and an outsize salary for the incoming CEO

(please see attached summary). We also note that Senator Ryan and Assemblymember Wallace, whose districts include some of Western OTB's operations, [wrote the Attorney General and Inspector General](#) and provided details of other impropriety and poor governance which we have included below.

We have grave concerns about Western OTB and appreciate your office helping to restore public trust in this historically troubled unit of government.

Sincerely,

John Kaehny
Executive Director
Reinvent Albany

Susan Lerner
Executive Director
Common Cause New York

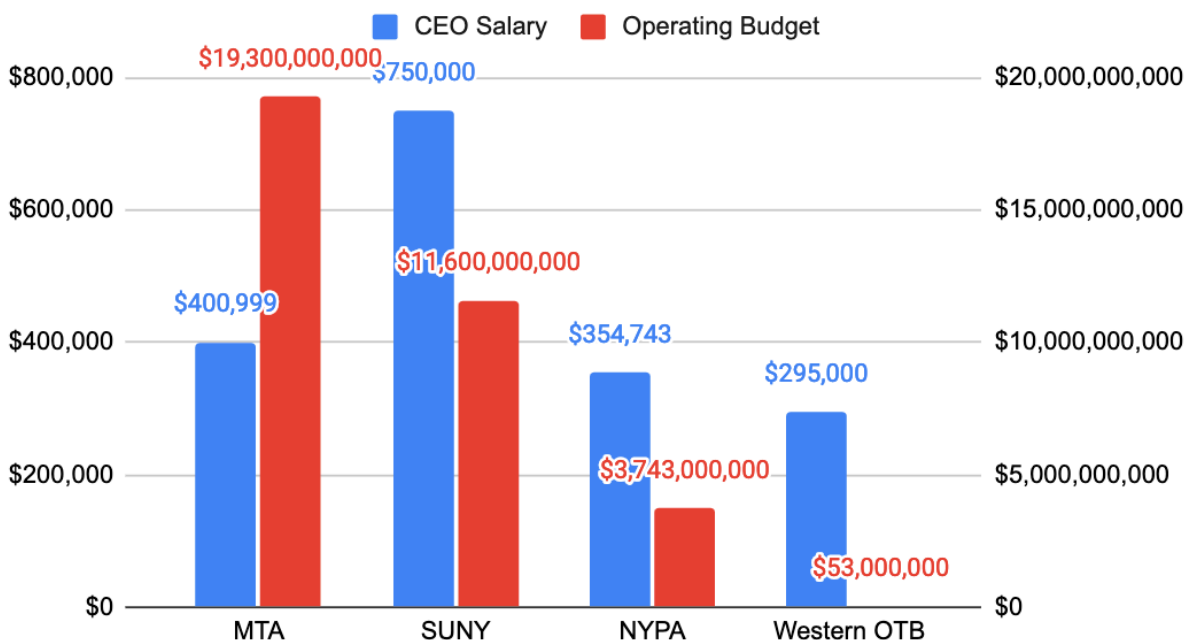
Erica Smitka
Executive Director
League of Women Voters of New York State

Specific concerns about board management and fiduciary duty

Recent events at Western OTB raise broader questions about whether the members of the Western OTB board of directors are fulfilling their fiduciary duty and whether the Gaming Commission and Inspector General for Racing are exercising their oversight authority. We are mindful that Western OTB is a local government authority authorized under New York State law.

1. Incoming President/CEO Byron Brown, the former Mayor of Buffalo, will be paid \$295,000 rising to \$315,000 by 2027. This makes Brown the highest-paid OTB CEO and paid comparably to the leaders of far larger public authorities.

Budgets and CEO salaries for NYS agencies and authorities



2. Incoming CEO Byron Brown and his senior management team have no experience in the gaming, racing, or hospitality industries. Additionally, Brown has appointed Steve Casey, a political operative and confidante, to a senior management position. Casey's consulting firm LSA Strategies, solely owned by Casey, [pled guilty in 2021 to a wire fraud felony charge](#).
3. Outgoing CEO Henry Wojtaszek, formerly a senior GOP official from Niagara County, will receive a [golden parachute](#) from Western OTB worth roughly \$300,000 in post-employment compensation.

4. Despite Western OTB's operating budget – which is relatively small for a government agency – a number of officials have high salaries. Outgoing Chief Financial Officer Jacquelyne Leach [makes \\$234,500](#), while Chief Operating Officer Scott Kiedrowski [makes at least \\$165,000](#).