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**STATE DOB KILLED STUDY OF WIGS, COMMISSION CHAIRMAN TESTIFIES
Testimony Conflicts with Commission Report, Which May Have Been Doctored**

NEW YORK, NY March 25, 2010 – The State Division of Budget put a halt to an independent economic impact study on legalizing wine sales in grocery stores, has changed the revenue estimates associated with the proposal without any basis, and may have doctored a state report to hide its actions, leaders of the Last Store on Main Street Coalition charged today.

At a State Senate hearing on Wednesday conducted by Senator Craig Johnson, Robert Pitler, chairman of the New York State Law Review Commission on the State Liquor Authority, testified under oath he was ordered by the Division of Budget not to conduct an independent economic impact study on Governor Paterson’s plan to legalize wine sales in 19,000 new outlets.

Pitler said the commission had \$200,000 set aside that could have been used to conduct the study before the DOB ordered the commission to cease and desist. When pressed by Senator Johnson, he could not name the DOB official who ordered the study killed.

Pitler’s sworn testimony conflicts with the commission’s report, which specifically stated the study was not conducted because the commission did not have funding for it – raising questions about who doctored the final report to include that false statement.

In addition, Pitler said in his testimony he couldn’t account for the revenue projections included by DOB for wine in grocery stores, which mysteriously increased from \$162 million to \$300 million between the proposed Executive Budget and the 21-day amendments. Pitler said in his testimony that the projections “seem to increase every time the budget deficit increases.”

“The Paterson Administration has a history of playing fast and loose with the truth, and has failed time and again to get its revenue projections right. But intentionally doctoring a state report to include false information is a serious matter that cannot be ignored,” said Jeff Saunders, founder of the Last Store coalition and president of the Retailers Alliance. “It’s clear the DOB killed the study because they feared it would undercut any argument in favor of the job-killing plan to legalize wine sales in 19,000 new outlets.”

The Paterson Administration has yet to answer a Freedom of Information Act request submitted on February 10 for any and all information to back up its phony \$300 million revenue projection, yet another indication there is no backup for this revenue projection.

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“Governor Paterson likes to criticize the Legislature, but the record shows he has relied on phantom revenue projections over and over again,” said Stefan Kalogridis, a coalition leader and president of the New York State Liquor Store Association. “There is simply no way the state would raise \$300 million from this bad idea, and clearly no justification to backup that number.”

While it’s not clear who in DOB killed the economic impact study, it’s clear why: An industry study found that nearly 40 percent of stores would go out of business and put more than 4,500 people out of work without creating a single new job.

The Senate Democratic Majority and Assembly Democratic Majority have both rejected the Paterson plan, recognizing that the revenues are phony, that it would crush Mom-and-Pop stores and increase underage drinking.

“The Senate and Assembly looked at the facts, and the phony arguments from Big Box stores, and made the right choice by rejecting this dangerous idea,” said Michael Correra, a coalition leader and executive director of the Metropolitan Package Store Association. “Now we need to get to the bottom of the phony numbers and phony statements in the Commission report pushed by the Division of Budget. This is yet another example that our government under Governor Paterson is a disaster, if not worse.”

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