



## Clock Ticking on Unfinished Business

# Groups say Flanagan, Heastie and Cuomo must pass meaningful Clean Contracting reforms now in response to \$800m state bid-rigging scandal

(June 14, 2017, Albany) Prominent budget and transparency watchdog groups today called on the legislative leaders to act on their public statements on clean contracting, and pass meaningful legislation in response to the largest bid-rigging scandal in state history.

Senate President John Flanagan and Assembly Speaker Carl Heastie are both on the record as supporting action this session on clean contracting:

- *Senate President Flanagan has called the issue “extraordinarily important” and said, “I expect we will have procurement reform before the end of the session”...“Whether it’s Sen. DeFrancisco or a variation of that bill, I expect we will move in that direction.”*
- *Assembly Speaker Carl Heastie has said, “...I’m going to sit down with the committee chair and we’re going to figure out what we’re going to do...I’ve always said the best way to go is to have a three-way agreement. That would be great.”*

Both leaders have made supportive statements regarding the comptroller review of contracts before they are executed:

- *Senator President Flanagan: “I truly believe the comptroller plays an absolutely critical role in public policy in New York.”*

- *Assembly Speaker Heastie: “The people of the state of New York will still feel better knowing that there’s some other entity looking at it, like the state comptroller..... Another set of eyes will make people feel better that, yes, things are done correctly.”*

The groups called on Senate Leader Flanagan and Assembly Speaker Heastie to move to deeds from words, and address clean contracting before the legislative session ends. The groups note that the Comptroller has put forth a program bill, and the Governor has made a proposal in the budget. It’s time for the legislature to indicate where they stand, and forge a solution.

The groups believe the best, most comprehensive solution is the comptroller’s program bill S.3984-A (DeFrancisco)/A.6355 (Peoples-Stokes) which restores independent approval of state contracts by the State Comptroller, and ends contracting for non-academic purposes by state-controlled non-profit organizations. Earlier this year, the groups recommended five Clean Contracting reforms and suggested the state take measures to reduce conflict of interest and pay to play.

### **Legislation Incorporating Groups’ Five Clean Contracting Reforms**

<b>Proposal</b>	<b>Bill with Proposal</b>
Require competitive and transparent contracting for the award of state funds by all state agencies, authorities, and affiliates. Use existing agency procurement guidelines as a uniform minimum standard.	A6355/S3984-A (Part B)
Transfer responsibility for awarding all economic development awards to the Empire State Development Corporation (ESDC), and end awards by state non-profits and SUNY.	Partially achieved through A6355/S3984-A (Part C)
Empower the comptroller to review and approve all state contracts over \$250k.	Mostly achieved through A6355/S3984-A (Parts A, B, and D)
Prohibit state authorities, state corporations, and state non-profits from doing business with their board members.	There is not legislation with this solution, although some attempt to address the issue through recusal or disclosure of conflicts of interest have been put forth.
Create a ‘Database of Deals’ that allows the public to see the total value of all forms of subsidies awarded to a business – as six states have done.	A8175/S6613

<p>Reduce the potential for conflicts of interest by exploring options to limit campaign contributions from anyone who has or is seeking a state contract.</p>	<p>Part L of the Executive Budget Good Government and Ethics Legislation is a foundation for this.</p>
--	--

**Groups Call for Action**

*“The moment of truth has arrived and the legislative leaders and governor must act. State and federal prosecutors say \$800m in state economic development contracts were rigged. This demands action to restore confidence in government contracting to assure taxpayers their money is being wisely and fairly spent.”*

Said John Kaehny, Executive Director, Reinvent Albany

*“With only a handful of days left in this legislative session, it is time for the Assembly and Senate to come together and adopt meaningful procurement reform and enhance economic development spending disclosure. The State’s citizens deserve to have confidence in how their tax dollars are spent.”*

Said David Friedfel, Director of State Studies, Citizens Budget Commission

*“Time is running out and we need to enact meaningful reforms before it’s too late. We need to restore the public’s trust and put some serious checks and balances in place to ensure that we never have another massive bid-rigging scandal in this state again.”*

Said Ron Deutsch, Executive Director, Fiscal Policy Institute

*“New Yorkers can draw a direct line from the state’s opaque system of government contracting and limited oversight to the recent allegations of corruptions raised by the US Attorney. The governor and the legislature simply cannot pay lip service to these allegations. New Yorkers deserve the enactment of tough, new corruption-busting measures coupled with the strengthening of the independent oversight of the state Comptroller.”*

Said Blair Horner, Executive Director, NYPIRG

*“Our groups have been pressing the legislature to act on New York’s procurement process since November of last year. Now there is less than a week left of session and still the legislature has not addressed these issues. Common sense reforms to ensure a competitive bidding process, allow the Comptroller to review contracts, and create a database of deals will ensure that the public’s tax dollars are being spent appropriately. If the legislature does not pass these reforms, our contract awarding process will continue to be susceptible to the corruption.”*

Said Jennifer Wilson, Program and Policy Director, League of Women Voters of NYS

*“Clearly, our state's procurement policies are primed for corruption and abuse. New Yorkers demand and deserve clean contracting policies that support a transparent and competitive bidding process, not crony capitalism.”*

Said Susan Lerner, Executive Director, Common Cause New York

*“Corruption in New York State related to the appalling lack of oversight in the awarding of state contracts is not a speculative outcome; we have witnessed the misuse of public monies leading to scandal after scandal involving the state’s most influential lawmakers. The reforms embodied in the Comptroller’s program bill, if passed, would significantly impact the potential for such corruption. These are common sense solutions that New Yorkers have long deserved.”*

Said Dick Dadey, Executive Director, Citizens Union