



## **Watchdogs: Legislature Should Not Fund Mega-Subsidy Deals Until Comptroller Has Power To Provide Real Independent Oversight.**

**In wake of \$800m economic development bid-rigging scandal,  
strengthening independent oversight is  
most important reform this session.**

(January 31, 2017: Albany) On the eve of economic development budget hearings, prominent transparency watchdog groups say New York State Senate leaders John Flanagan and Jeff Klein and Assembly Speaker Carl Heastie should not approve the mega-subsidy deals proposed in the governor's budget until the Comptroller's independent oversight over state contracting is significantly strengthened.

The groups say billions of taxpayer-funded contracts will remain ripe for abuse until, at a minimum, the Comptroller's Office – which is independent of the governor – is given the power to review and pre-approve contracts of all state entities, and is able to ensure the state contracting process is fair and transparent. The Comptroller's Office was specifically created by the state constitution to provide independent oversight over state spending.

The groups note that Governor Cuomo has bitterly resisted independent oversight over executive branch contracting, despite his administration being rocked by the largest bid-rigging scandal in state history – which involved \$800m in state economic contracting and resulted in the arrest of nine people by U.S. Attorney Preet Bharara.

### **Examples of some of the billions in state funds the governor has proposed providing to businesses:**

1. \$391m for factories and facilities for Solar City and Athenex in Western NY.\*
2. \$275m for factories and facilities in Buffalo for SolarCity, AMRI, and IBM\*
3. \$638m for building factories for computer chip makers in Utica and Oneida.
4. \$75m for ASML chip factory in Albany to Fuller Road Management

\* = Portion of funds would go to contracts alleged by U.S. attorney to have been rigged.

## Scandal Plagued State Non-Profits To Get \$100s Millions New Public Funds

The governor's budget proposes giving hundreds of millions of new taxpayer funds to Fort Schuyler Management and Fuller Road Management, the state-controlled non-profits at the center of the bid-rigging scandal – which still do not have independent oversight over their contracting from the Comptroller's Office.

### Comments from Signers:

"Despite last October's arrests, billions in state economic development funding remain ripe for corruption and abuse. A crucial first step towards protecting the public's money is to empower the Comptroller to provide independent oversight – and that's just a bare minimum of what's needed to ensure clean, fair state contracting."  
—Said **John Kaehny**, Executive Director, Reinvent Albany

"Allowing the Governor to include multi-billion dollar development projects in his budget without independent oversight is the reason his associates are being investigated for corruption in the first place," said Susan Lerner, Executive Director of Common Cause New York. "There must be checks on the Governor's authority when it comes to awarding contracts for taxpayer-funded work. New York State deserves a transparent, competitive bidding process with proper review and oversight by the State Comptroller, whose job it already is to audit state government."  
—Said **Susan Lerner**, Executive Director, Common Cause NY

"Key to a functioning democracy is the separation of powers and checks on executive authority. In the face of the largest bid-rigging scandal in New York State history, it is absolutely essential that the comptroller's ability to independently review state contracts be restored and strengthened, lest the resurgence of pay-to-play politics becomes the status quo."  
—Said **Dick Dadey**, Executive Director, Citizens Union

"Unfortunately, the governor's budget plan does not include measures that would meaningfully reform New York's opaque system of government contracting and limited independent oversight. Adding more monitors directly accountable to the governor is simply insufficient to tackle the nightmare of corruption that has plagued Albany. New Yorkers deserve the a contracting system that relies on independent, powerful watchdogs. The final budget must strengthen the Comptroller's oversight of

contracting in New York.”

—Said **Blair Horner**, Executive Director, NYPIRG

“The public is sick and tired of seeing their tax dollars squandered without any government scrutiny. How can we expect to curb corruption when there are weak reviewing procedures in place for the spending of public dollars? A Chief Procurement Officer appointed by the Governor will not provide adequate independent oversight. The Governor should restore review and audit power to the State Comptroller and not his own appointee.”

—Said **Barbara Bartoletti**, Legislative Director for the League of Women Voters of NYS