



**Testimony of Rachael Fauss, Reinvent Albany
To Audit Committee of the MTA
Regarding MTA Conflicts of Interest Policies**

July 23, 2018

Good afternoon, I am Rachael Fauss, Senior Research Analyst for Reinvent Albany. We advocate for more transparent and accountable state government --- including for state authorities like the MTA.

I am here to ask you to act upon the recommendations sent to you in a letter last week from five watchdog groups - Reinvent Albany, Citizens Union, Common Cause NY, the League of Women Voters of NYC, and the NYPIRG Straphangers Campaign. In the letter, we asked that the MTA Board and All-Agency Codes of Ethics be amended to address public concern regarding perceived and potential conflicts of interest at the MTA. Accompanying the letter was an analysis by Reinvent Albany of state law, best practices by the Authorities Budget Office, and the shortcomings of the MTA ethics codes. Common Cause/NY and NYPIRG are also here today to speak on these issues.

In response to numerous critical news reports about the perceived conflict of interest caused by the MTA CEO and Chairman receiving outside income from an entity doing business with the MTA, Reinvent Albany called upon the MTA Governance

Committee in March 2018¹ to revise the MTA's Codes of Ethics. We are presenting these recommendations again today, which are supported by the five watchdog groups, which include:

1. Affirm by board vote that the Chairman/CEO is the head of the agency - whether or not receiving a salary - and is subject to all Public Authorities Law, Public Officers Law (Sections 73, 73-a and 74) and MTA internal ethics policies requirements covering heads of agencies, not just those for per diem board members;
2. Amend the Board Code of Ethics to require notification to the full MTA Board of any board member's and the Chairman/CEO's potential conflicts of interest, including requiring a public record be kept via Board and/or Committee meeting minutes, as recommended by the Authorities Budget Office;
3. Amend the Board Code of Ethics to ban outside income for the MTA Chairman/CEO - whether compensated or not - and at a minimum, appointed, non-civil service staff;

My colleagues will speak next to the role of the Audit Committee, and our additional recommendations.

I thank you for your attention to this matter.

¹ Reinvent Albany Testimony to the MTA Governance Committee, March 2018.
<https://reinventalbany.org/2018/03/testimony-to-mta-governance-committee-regarding-mta-code-of-et-hics-conflict-of-interest/>