



Watchdog Groups to Senate and Assembly: **Don't Come Home Without Passing Comprehensive Clean Contracting Reforms**

**Legislature has yet to act on massive corruption risks revealed by
biggest bid rigging scandal in New York State history**

(June 5, 2017, Albany) Watchdog groups again called on New York State Senate leader John Flanagan and Assembly Speaker Carl Heastie to pass comprehensive Clean Contracting legislation.

To date, the legislature has not passed the comprehensive reforms needed to reduce the enormous corruption risks revealed by the alleged rigging of \$800m in Upstate economic development contracts. In late October, nine people, including senior state officials, prominent Upstate real estate developers and political contributors to the governor, will go on trial for their alleged part in the scandal.

The groups specifically urged Flanagan and Heastie to pass the Comptroller's Clean Contracting bill (S. 3984-A/A.6355) in its entirety and expressed strong support for the bill's key provisions including:

- Forbidding state controlled nonprofit organizations from contracting on behalf of the state unless specifically allowed by the legislature. (State controlled nonprofits like Fort Schuyler Management Corporation are at the center of the Upstate bid rigging scandal.)
- Requiring state authorities to use procurement guidelines consistent with state agencies.

- Giving the Comptroller the authority to pre-review SUNY/CUNY construction and construction services, materials and printing contracts, and OGS centralized contracts.
- Requiring Comptroller approval of state funded SUNY Research Foundation contracts of over \$1 million.

The Groups believe independent oversight is the only way to guarantee basic fairness to state vendors, including MWBE firms and small businesses. The Comptroller's review of existing contracts has already stopped 777 contracts and transactions valued at \$28.15 billion this year alone due to fraud, waste, or other improprieties. The average review of contracts took just six days in April.

Both Assembly Speaker Carl Heastie and Senate President John Flanagan have expressed support for procurement reform. The Senate has moved the Comptroller's bill out of committee and made amendments resulting from negotiations with the business community. The Assembly version does not yet reflect the amendments. One third of the Senate has co-sponsored the bill while the Assembly legislation has 25 co-sponsors.

The Comptroller's legislation contains three of Five Clean Contracting Reforms Proposed by Watchdog Groups:

1. 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.
2. Transfer responsibility for awarding all economic development awards to Empire State Development Corporation (ESDC) and end awards by state non-profits and SUNY.
3. Empower the Comptroller to review and approve all state contracts over \$250k.
4. Prohibit state authorities, state corporations, and state non-profits from doing business with their board members.
5. 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.