



**Watchdog Groups Call on Senate and Assembly Leaders
to Hold Emergency Oversight Hearing
On Allegations of Historic Bid-Rigging Scandals and Clean
Contracting Reforms**

***Groups also petition Governor Cuomo to immediately release
Bart Schwartz's taxpayer-funded report on contracting corruption risk***

(October 13, 2016, Albany) Numerous prominent budget and transparency watchdog groups today called on New York State Senate leaders John Flanagan and Jeff Klein and Assembly Speaker Carl Heastie to hold emergency oversight hearings on the allegations by the U.S. Attorney of the largest bid-rigging scandals in state history. The groups emphasized that the public needs to know how it is possible that more than a billion dollars in state contracts were rigged and what reforms will be implemented to address this huge and systemic failure of state government. The groups also called on Governor Cuomo to immediately release the taxpayer-funded report on economic development contracting prepared by his consultant Bart Schwartz.

The reformers say that the only way to ensure that state contracts are awarded fairly and transparently is to develop real solutions through public discussion involving the governor, legislature, comptroller, attorney general, transparency experts and the public.

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.

The groups further urged state leaders to reduce the potential for conflicts of interest by exploring options to limit campaign contributions from anyone who has or is seeking a state contract. Nineteen states and NYC have such “pay to play” laws, NY State does not.

“Despite the arrests by Preet Bharara, the risk of corruption remains sky high in New York State. The governor and legislature have to put in place real contracting and pay to play reforms or billions of taxpayer funded contracts will remain ripe for abuse.”

Said John Kaehny, Executive Director, Reinvent Albany, 917-388-9040

“All State spending should be held to the same standards of review and scrutiny, regardless of the stated purpose. Potential contractors need to be held to the highest standards of integrity and performance.”

Said David Friedfel, Director of State Studies, Citizens Budget Commission, 518-429-2959

“With political corruption rampant in our state capital and New Yorker’s trust falling in our elected officials to act solely in the public interest, it is necessary for the legislature and governor to adopt these common sense fiscal management solutions now. Immediate reforms are needed to re-instill New Yorkers faith that their taxpayer dollars are being well-spent.”

Said Dick Dadey, Executive Director, Citizens Union, 917-709-2896

“For years many of us have been suggesting that the system is ripe for corruption, now we see it is not only ripe, but rotten. We need to restore the public’s trust and put real accountability measures in place to ensure that we have full transparency and a solid return on investment before we continue to provide billions of taxpayer dollars to private businesses in the name of economic development.”

Said Ron Deutsch, Executive Director, Fiscal Policy Institute, 518-469-6769

“New York’s opaque system of government contracting and limited independent oversight is a one-two punch that raises the risk of corruption The governor and the legislature simply cannot pay lip service to the allegations raised by the U.S. Attorney. New Yorkers deserve a

sweeping public review of state contracting and the enactment of tough, new corruption-busting measures.”

Said Blair Horner, Executive Director, NYPIRG, 518 727-4506

“It seems every year there is a new scandal in Albany. 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? Now more than ever we need transparency and a strong assessment process to ensure that the public’s tax dollars are being spent appropriately. The Governor and legislature cannot sit idly by while billions of dollars are being spent with minimal oversight.”

Said Barbara Bartoletti, Legislative Director, League of Women Voters NYS,
518-465-4162

"The current system is clearly prone to corruption and abuse. We need a competitive and transparent bidding process based on merit, not crony capitalism."

Said Susan Lerner, Executive Director, Common Cause NY, 212-691-6421