



Statement on Senate Passage of Corruption Prevention Package

Watchdog Groups Applaud Senate for Passing Bills to Increase the Transparency and Accountability of State Economic Development Programs

Assembly Must Now Act on Bipartisan Legislation to Restore the Public Trust

Good government and fiscal watchdog groups commend the Senate today for passing a package of bills intended to improve the transparency and accountability of the state's multitude of economic development programs.

The groups call on the Assembly to join the Senate in passing the Database of Deals A.8175-A(Schimminger) & S.6613-B(Croci) and Comptroller DiNapoli's Procurement Integrity Act S.3984-A(DeFrancisco) & A.6355-A(Peoples-Stokes).

The Assembly included the Database of Deals in its one house budget bill in March, and Speaker Carl Heastie rightly backed the comptroller's program bill in 2017 saying:

"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."

State economic development programs have been in the public eye since top Cuomo aides and campaign contributors were engulfed in a scandal involving rigging over a \$1 billion in state contracts.

The Database of Deals is a fundamental transparency reform listing all of the taxpayer subsidies received by a corporation including the type of subsidy, jobs created or retained, and the cost per job to taxpayers. The state spends \$4 billion in economic development annually yet the public has no way of accounting for which

programs work best, and whether the state is getting a sufficient return on its investment in jobs produced or retained, or capital investments. [Florida](#), [Maryland](#), [Indiana](#) and [New York City](#), among others, have a Database of Deals. The Database of Deals was in the one house budget bills of both houses, and has 34 co-sponsors in the Assembly.

The Procurement Integrity Act was introduced at the request of Democratic Comptroller Tom DiNapoli to restore the comptroller's authority to review contracts before they are executed for SUNY/CUNY construction, construction services, materials, and printing contracts, and OGS centralized contracts. The bill also:

- requires Comptroller approval of state funded SUNY Research Foundation contracts of over \$1 million;
- forbids 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); and
- requires state authorities to use procurement guidelines consistent with state agencies.

The watchdog 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 334 contracts and transactions valued at \\$920 million in the first two months of 2018 due to errors, improprieties and lack of documentation. The average review of contracts took just 7.5 days in 2017.](#)

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