



NEW YORK STATE SENATOR

James L. Seward

## Wanted: Stimulus Accountability

JAMES L. SEWARD May 1, 2009

Billions of dollars in federal money is coming to New York as part of the American Recovery and Reinvestment Act (ARRA). This so-called federal stimulus money is intended to create jobs and help our economy bounce back. The governor has applauded the funding and announced lists of transportation projects for every region of the state. But just how many jobs are being created?

To answer that question we need real oversight and accountability. Openness and transparency need to be part of the process so everyone can see exactly how the federal stimulus funding is being spent and to ensure maximum job creation.

During the state budget debate, questions were asked about the stimulus money. Specifics on exactly how much money was coming to the state and where it is going went unanswered, and uncertainty remains. When it comes to taxpayer dollars, a detailed explanation down to the last penny should be expected.

I am not alone in asking questions about the how the stimulus funding is being spent. A coalition of public watchdog groups, the New York State Stimulus Oversight Working Group, has also made a plea for a transparent process that involves the public.

Along these lines I am joining my colleagues in the senate in calling for a comprehensive reform plan that will open up the process and ensure that federal tax dollars are spent wisely, efficiently and in a manner that creates real jobs for New Yorkers. The reform plan would establish a fully transparent, non-partisan process that will increase public involvement and provide strict penalties for fraud, waste and abuse in the disbursement of the funds.

The key measures include the following:

**Strict Fiscal Reporting and Monitoring:** The initiative would provide the state comptroller, as the state's chief fiscal officer, with broad new powers to actively monitor the flow of federal stimulus funding. By giving the comptroller specific and direct oversight responsibilities for these monies, the public will be better assured that no funding will be lost to waste or misuse;

**Job Creation Tracking and Results:** To bolster existing federal job tracking guidelines, the plan would empower the state comptroller to obtain detailed information from the state Department of Labor and the Empire State Development Corporation regarding specific job creation and retention numbers that are tied directly to the expenditure of stimulus funding. The figures would be certified by the comptroller for accuracy, publicly released on a monthly basis, and made available on a new website to be established by the comptroller's office;

**Combating Fraud, Waste and Abuse:** The unprecedented size and scope of the federal stimulus funding creates a tremendous new potential for fraud, waste and abuse – both in the decision-making process, as well as in the actual implementation of related government

contracts and programs. The initiative would provide the attorney general's office with the power to investigate and prosecute cases involving the misuse of stimulus-related funding;

**“Taxpayers’ Right to Know” Provisions:** In order to heighten public awareness of, and involvement in, the allocation and use of federal stimulus funds, the current decision-making process must be moved out from behind closed doors and into the public realm. To address this problem, all future meetings regarding the disbursement of these funds should take place in open, public meetings. The meetings should be webcast live, and the minutes should be made publicly available afterwards. Supporting documents should be placed online in advance of such meetings.

We are dealing with almost \$25 billion in taxpayer money; your money. It is only proper that New Yorkers have the ability to follow the money trail from the federal coffers right down to the ground level.

The federal money will be gone in two years and if the process in distributing the funds is left to chance we will have done nothing but waste it. We need to make sure the funds leave a lasting imprint of jobs and economic development or the federal stimulus will be nothing more than a waste of your money.