

Joe Torsella for Treasurer

Target Pay-To-Play in Pennsylvania by Disclosing Political Contributions by Vendors in Treasury Department Database of Contracts

The Commonwealth of Pennsylvania has an opportunity to lead the nation in transparency and integrity in state government by making it easy for any citizen to see political contributions made by state vendors. Treasury already manages an online database of state contracts; we should take the simple step of adding vendors' reported political contributions to the database. Creating a truly accessible and user-friendly tool would let citizens see all information on political giving and state contracts in one place.

The simple fact is that disclosure decreases corruption.¹ But Pennsylvania get poor marks from independent observers on key issues: the independent [State Integrity](#) organization, which takes a comprehensive look at states based on both their statutes and the enforcement mechanisms in place to increase transparency and combat corruption, rated PA an "F" in the "Political Financing" category. Although the overall grade is a C- (20th place), PA receives especially poor marks in key categories related to transparency including Lobbying Disclosure and State Budget Processes.² We even fall behind states that are also known, unfortunately, for recent challenges with corruption, such as Illinois, Louisiana, Alabama, and Florida. Increasing the transparency of political contributions by state vendors would bolster the integrity of the Commonwealth's contracting process, help restore Pennsylvanians' confidence in state government, and make Pennsylvania a national leader on transparency issues.

How Would It Work?

Currently, the Pennsylvania Treasury Department website hosts the [Pennsylvania Contracts e-Library](#) as a way of making contract information available to the public. The system was implemented after the Right to Know Law was passed in 2008. Under the law,³ Commonwealth agencies, legislative agencies, and judicial agencies must file with Treasury any contract for property or service valued at \$5,000 or greater.⁴ At the same time, the Commonwealth's Department of State gathers political contribution data,⁵ some of which is publicly reported.

The current system is siloed and potential connections between campaign contributions and state contracts are hard to find. Neither system is user-friendly or easily searchable.

¹ Ansolabehere, S. (2007). "The Scope of Corruption: Lessons from Comparative Campaign Finance Disclosure." *Election Law Journal* 6.2 (2007): 163-183. Online.

² State Integrity. Pennsylvania Corruption Risk Report Card. Retrieved from <http://www.stateintegrity.org/pennsylvania>

³ Commonwealth of Pennsylvania. (2008). Right to Know Law. Retrieved from https://www.dced.state.pa.us/public/oor/pa_righttoknowlaw.pdf

⁴ The statute requires any Commonwealth agency, legislative agency or judicial agency to submit to Treasury any contract, "involving any property, real, personal or mixed of any kind or description or any contract for personal services where the consideration involved in the contract is \$5,000 or more."

⁵ Reports of Political Contributions. 4 Pa. Code § 174.1 (2000) Retrieved from <http://www.pacode.com/secure/data/004/chapter174/chap174toc.html>

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The Treasury Department should both include campaign contribution information in its current database and dramatically improve the system's ease-of-use and searchability. Enabling every citizen of the Commonwealth to explore state contracts and campaign contributions in one easy-to-use portal would create a new check-and-balance against pay-to-play.

Ideally, this would happen by requiring all state vendors to submit information annually on Pennsylvania political contributions in excess of a given amount made by key personnel. This is already required for any "no-bid" contracts.⁶ The same disclosure requirement could be extended to all contracts, either through an agreement between the heads of executive branch agencies or, if necessary, through new legislation in the General Assembly. Adding a simple campaign finance disclosure requirement to all state contracts need not be onerous, and would create a mechanism for the organized, regular disclosure of vendors' political contributions. The Treasury Department would then collect and report that data as a necessary part of its responsibility to disclose information, through its existing database, on all Commonwealth contracts.

Failing that, however, Treasury Department staff could simply enter currently existing information on political contributions⁷ into the e-Library, or seek more formal information-sharing arrangements between state agencies, especially with the Department of State, to streamline the process of incorporating already collected information on contributions into the e-Library. And, at a minimum, we could – and should – require annual disclosure of political contributions by all vendors holding contracts with the Treasury Department itself.

What do other states do?

A number of states have searchable contract databases ([Georgia](#), [Ohio](#), [New York](#), [New Jersey](#), [North Carolina](#), [Wisconsin](#)), which are focused on agency spending. Many of them are more inviting than Pennsylvania's; Ohio's is especially impressive, user-friendly, and comprehensive. Fifteen states have enacted pay-to-play legislation in some form.⁸ And at least one state – Illinois – discloses political giving and vendor information in the same place: [Open Book](#),⁹ a database administered by the Illinois Comptroller's Office, that directly links state contracts and information on political donors although it too could be more user-friendly. Their database combines information on political contributions supplied by the Illinois State Board of Elections (ILSBE) and their version of PA's e-Library, the Illinois "State Contract Database."¹⁰ The contribution data is provided twice a year as part of a longstanding intergovernmental agreement between the Comptroller and ILSBE.

⁶ Reports of Political Contributions. Pa. Code. § 174.1.

⁷ The vendors disclosure information gathered by the Department of State is, by law, "a matter of public record open to public inspection and copies made available at cost to any individual who requests them."

⁸ Holman, C. (2012). Pay-to-Play Laws in Government Contracting and the Scandals that Created Them. Retrieved from <http://www.citizen.org/documents/wagner-case-record.pdf>

⁹ Illinois Office of the Comptroller. (2015). Open Book [Database], Retrieved from <http://www.openbook.illinoiscomptroller.com/>

¹⁰ Illinois Office of the Comptroller. (2015). State Contracts Database. <http://ledger.illinoiscomptroller.com/index.cfm/find-a-contract/>

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What political contribution information does Pennsylvania already solicit from vendors?

Under Pennsylvania law,¹¹ a business entity is required to file a report disclosing individuals' contributions made to Pennsylvania state and local candidates, political parties and PACs if the business entity has been awarded a non-bid contract from the Commonwealth of Pennsylvania or its political subdivisions during the preceding calendar year.

- The report must be filed annually (on or before February 15). Business entities must itemize political contributions made by employees or members of their immediate family) when the contributions by the individual exceed an aggregate of \$1,000.
- The disclosures filed by business entities are public information but are not currently available online. They are copied and bound and can be requested from the Secretary of State's office in accordance with state law.

Where is all Pennsylvania political contribution information accessible?

Campaigns are required to regularly report campaign finance data by submitting reports listing donors and expenditures. For individuals who contribute more than \$250, employer information must also be included.

- These reports (submitted by campaigns) are available for download on the Pennsylvania Department of State's [Campaign Finance website](#).
- There is also a searchable database to search for contributions made by specific individuals. However the individual's employer information is not provided here. Only the contributor, recipient, recipient's office, amount, and date are included in the database.
- PA also has a "[Commonwealth Enterprise Portal](#)" that has much of the same information available on the Campaign Finance site but presents it in an inaccessible form.

What other transparency tools currently exist in Pennsylvania?

In addition to Treasury's Contracts e-Library, [PennWATCH](#) provides access to information on salaries of individual employees; payments made by agencies; the number of employees in each agency; how much revenue has come in from different taxes; and how much money is budgeted for different areas. Information on the site is updated by the state agencies themselves. It was created after the Pennsylvania Web Accountability and Transparency Act was passed in 2011, providing for the establishment of a "searchable budget database-driven Internet website detailing certain information concerning taxpayer expenditures and investments."¹²

¹¹ Reports of Political Contributions. 4 Pa. Code § 174.1 (2000)

¹² Commonwealth of Pennsylvania. (2010). Pennsylvania Web Accountability and Transparency Act. Retrieved from <http://www.legis.state.pa.us/WU01/LI/LI/US/HTM/2011/0/0018..HTM>