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CITIZENS UNION NEWS RELEASE

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Dick Dadey

917-709-2896

CITIZENS UNION RELEASES *SPENDING IN THE SHADOWS* REPORT

**REPORT SHOWS NEARLY \$14BILLION IN NONSPECIFIED FUNDING IN
FY18 EXECUTIVE BUDGET**

*Funding has little detail about how money is spent and lacks needed
accountability, making funds ripe for corruption.*

At a news conference yesterday afternoon, Citizens Union issued its latest iteration of the report [Spending in the Shadows](#), looking at nonspecific funding in the New York State budget with this current examination being that of the FY 2018 Executive Budget and identifying nearly \$14 billion in such funds.

Nonspecific funding exists in the NYS Budget in the form of lump sum funds that are appropriated at the time of the state budget but contain only a vague description or general purpose to identify the appropriation with little or no direction as to how the funds in these budget pots are to be spent. Definitive spending decisions about how and on what to spend the funds are left to later and often involve the governor and legislative leaders, or no one at all. There are no criteria for how funds are to be awarded, and an absence of

transparency and accountability as to how and when these funds are actually spent, making them open for us in possible corruption schemes. Recent corruption investigations, charges and convictions of public officials and their allies have stemmed from the use of these lump sum pots and the lack of public disclosure, transparency, and accountability in awarding grants and contracts from these appropriations.

Our findings for the FY 2018 Executive Budget are as follows:

1. There is \$4.3 billion in 60 separate lump sum funding pots subject to decisions of one or more specific elected officials. That is an increase of \$2 billion from FY17 Executive Budget and the highest since FY14. It is on par however with last year's Enacted Budget.
2. An additional \$9.5 billion exists in at least 30 different economic development and infrastructure pots listing no official with spending authority.
3. We do not look at \$12 billion in other opaque spending that exists with \$4.4 billion remaining in settlement proceeds and \$8 billion in the State Operations Budget for Public Safety and Emergency Response.
4. This process lacks any conflict of interest disclosure requirements from those officials making decisions.
5. There is little, if any, public disclosures in reporting on how these funds are eventually spent, involving whom, and what elected officials are involved.

Our recommendations are:

1. Identify upfront all pots of lump sum funds in the budget.
2. Disclose the detailed purposes of, and criteria for, distribution of lump sum funds.
3. Require conflicts of interest disclosures of executive and legislative elected officials affirming that the contract or grant is for a lawful, public purpose and official has complied with financial disclosure requirements in public officers' law.
4. Provide comprehensive and online disclosure of all grants and contracts spent under lump sum funds.
5. Create public disclosure by aging for three days and identifying the legislative sponsor of lump sum funds in senate and assembly resolutions.

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299 Broadway, New York, NY 10007
212-227-0342

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