

**TESTIMONY BY
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**Before the
House of Representatives
Committee on Oversight and Government Reform**

Chairman Towns, Ranking Member Issa, public members and observers, good morning. I want to thank you for holding this hearing and inviting me to discuss the implementation of the economic stimulus package in the American Recovery and Reinvestment Act of 2009.

As many of you know, New York City is set to receive more than \$4.5 billion dollars under President Obama's economic stimulus package, and these funds could not be more necessary.

Our city today faces an economic crisis unlike any we have seen since the Second World War, and people need help. We've lost over 100,000 jobs since August, millions of New Yorkers are worried about skyrocketing transit and water rates, and families across our city are struggling just to make ends meet.

Yet while the stimulus package should certainly be seen as a tremendous opportunity to create jobs, bolster our struggling economy, and provide relief to our city's many forgotten New Yorkers, we should also look at the distribution of these funds as another kind of opportunity, as well: The opportunity to put in place a blueprint for much-needed transparency and accountability reforms in City government.

These reforms are long overdue. In fact, for almost eight years now during my tenure as City Comptroller, I have repeatedly called on City agencies to improve the all-too-often opaque process by which taxpayer funds are disbursed.

In January 2008, for example, I called on the Bloomberg Administration to immediately implement transparency reforms at the City's Industrial Development Agency—an agency that promotes economic development through the disbursement of taxpayer funds to small businesses. As an IDA Board member, I saw first hand the need to shine a bright light on the selection process of IDA beneficiaries and, in a letter to Deputy Mayor Robert Lieber, I made ten detailed recommendations toward that goal.

Two months ago, I similarly criticized the IDA for approving a preliminary inducement for tax exempt financing for the Kingsbridge Armory in the Bronx. This financing was approved despite my request to postpone the vote until questions were resolved about the number of jobs to be created and salary levels of future employees. We must avoid these pitfalls with stimulus monies, and ensure that job creation and salary criteria are clearly laid out before funds are disbursed.

I have also sought to infuse good government principles like openness, transparency, and accountability into all of my work as City Comptroller.

Last year, my office introduced a new online application that for the first time allows vendors to track online the real-time status of their payments from the City. When I took office in 2002, I insisted that every audit we conduct be posted on my website. And to date, my audits of City agencies have uncovered more than \$248 million in savings, exposing countless instances of fraud, unsafe conditions, and waste.

In keeping with the principles of good government, I believe that—before a single stimulus dollar is disbursed—we must first and foremost ensure that these funds are accurately accounted for, and that outcomes are carefully measured and monitored.

This is a job that will, in part, be undertaken under the authority of my office. The Charter-mandated role of the Comptroller's office is to ensure that all funds are tracked accurately and transparently, and this is a responsibility I take very seriously.

As many of you know, my office is also responsible for approving all contracts and agreements between the City and its many vendors. As Comptroller, I have made close inspection of these contracts a priority, and this new focus has saved our City millions of dollars.

Rest assured, I will bring this same vigilance and attention to detail to my work overseeing the contracts and contract amendments that result from stimulus spending. Through the registration process, my office will continue to ensure the integrity of vendors and the bidding process.

My office is already moving forward on many fronts to ensure the smooth transition of stimulus monies to job-creating, 'shovel-ready' projects in our city.

Two weeks ago, my staff and the Mayor's met with the General Accounting Office to discuss its needs as we work to design a system that will track and display stimulus funds in real-time.

One potential difficulty in monitoring stimulus funds will likely be the need to differentiate stimulus monies spent under pre-existing contracts. For example, before stimulus funds are used to add jobs or benefits to an existing contract, we must first put in place a system that allows for the separate tracking and outcome monitoring of stimulus funds and funds spent under that pre-existing contract.

This will surely be a challenge. Fortunately, however, the city already has in place strict contractor integrity reviews and detailed procurement rules.

In the end, while we must move quickly, New Yorkers deserve above all a transparent system that will, by its very nature, help ensure that taxpayer monies are spent responsibly. Under my watch, New Yorkers will be afforded this right, and will be able to see exactly how, why, when, and where their hard-earned money is spent.

Thank you.

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