

# Keeping Government Accountable

## *Following the Money*

The very words *government purchasing* make most reporters' eyes glaze over.  
--The IRE Handbook 2nd Ed.

The quote is pretty much true. Perhaps Willie Sutton thought banks were “where the money is.” But for government accountability reporting, it’s the enticing world of **procurement**. On your beat, you probably tend to focus on **FUNCTIONAL** performance -- Does the the community get whatever service is intended (ambulance service, education, police protection, unrutted roads)? The spending is in the less obvious **OPERATIONAL** side of the organization. Whatever else it is -- a county, a school board, a city, a university -- it's also essentially a business that's spending a lot of money to buy things. In many places, the school board is the single largest employer and one of the biggest buyers of building supplies, office supplies and cleaning supplies.

It's a great investigative reporting opportunity for two reasons:

1. The process is bureaucratic and inherently boring. That means that in many places, no one is paying attention. What do you think happens when millions of dollars are at stake and no one is paying attention?
2. The bureaucrats create a lot of paper. For the kind of reporter who lives for the chance to prowl through a document-rich paper trail, it's a dream come true.

### **The Basic Data**

Any city-county-agency can give you a printout in electronic format -- called a print image -- of their payments to vendors. This system is usually separate from the payroll system. Think of it as the government's check register for everything it buys, every contract it has, every utility bill. Ask for the printout to include:

- recipient with name and address information
- invoice date and/or pay date
- amount
- department and sub-department
- invoice description -- the database most likely has some brief memo or note
- fund type such as capital bonds, federal/state grants, local funds, enterprise funds
- approving official

That printout will be text that can be pulled into a spreadsheet or database program.

**Note:** Asking for a copy of the entire database may be problematic. These “databases” are often transactional processing systems that may have hundreds of tables and use dozens of records to account for a single payment (think pre-encumbrance, encumbrance, fund liquidation, etc.). The printout of payments is almost certainly a report they already have and a better place to start.

Another key dataset is the Contracts Database. If there’s a procurement department, it should have a contracts tracking system. You can try to get a copy of the database or a printout -- once again in electronic format as a print image -- that would list:

- key dates such as bid date, award date, contract begin and expiration
- type of contract such as personal services (consulting) or commodities (toilet paper)
- how contract was awarded -- sole source, competitive bid, extension of existing contract

- award amount -- **BEWARE** -- the is very often not the amount paid in the end. Contracts can be awarded that are never used. They can be awarded at one amount and then grow and grow and grow.
- recipient with address and contact information. It may list officers of the corporation, a place to check for conflicts of interest.
- affirmative action goals, if the agency has them. The database may have information about the vendors such as the percentage of employees who are minorities and/or women. The application documents to receive small business or minority business status often has a lot of information not otherwise available on closely held private firms.

## **The Questions**

An obvious question is Who gets the most money from your government? What do they do for it? Break that down further to ask Who gets the most from each department or agency?

From the Contracts Database, you can see whether most money is spent after competitive bidding or other means. Remember, don't assume that amounts in the contracts database are actually amounts spent.

## **What To Do With It**

Even if it's not an immediate investigative story, these sources provide fundamental, underlying information that you need to know about the organization you're covering. These are excellent sources for intranet lookups in your newsroom so reporters covering any topic can see whether the parties do business with the government.

To make a story out of it, you can simply start with the biggest moneymakers and work your way down the list. For each recipient, inquire what service or product they provide. In many cases, large contracts were publicly debated and are already well known. You may be surprised that many of the largest contracts were never publicly discussed. You can pull out the largest no-bid contracts or compare contract award amounts to eventual payments.

## **Back to the Paper**

To get to the nitty-gritty, you need to get paper copies of bids, bid evaluations, contracts, purchase orders, receiver reporters, detailed invoices and contract correspondence. Armed with the Payment Database or Contract Database, you can construct well-directed FOI requests that are more likely to be successful. Contracts have someone assigned as the contract manager. That person should have a folder or file cabinet for each specific contract that should have the pertinent documents. Very large contracts may have been audited. Inquire with the relevant oversight bodies in your area.

There are two hurdles in public record law about government spending. Businesses want to say that their information is proprietary business information. Courts have ruled that businesses have to be able to show substantial competitive harm, not just a general preference not to have information out. The other common exemption is for internal deliberations or working papers of bureaucrats. Policies and rulings on that have varied by jurisdiction. But any final action -- such as awarding a contract -- would not fall under internal working papers. And correspondence between the merchant/vendor and the agency is not "internal" deliberation.