

INFORM. INSPIRE. DEVELOP CIVIC LEADERS.

THE POLICY CIRCLE

GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY



➤ MAKING GOVERNMENT ACCOUNTABLE ◀

THE U.S. POLITICAL SYSTEM WAS ORIGINALLY FOUNDED ON THE IDEA OF CONSENT OF THE GOVERNED. TODAY'S GOVERNMENT RELIES ON THOUSANDS OF ADMINISTRATIVE OFFICIALS AND ANYWHERE FROM 170 TO 270 EXECUTIVE AGENCIES MAKING AND APPLYING LAWS. THIS OPAQUE POLICY-MAKING ENVIRONMENT MAKES IT DIFFICULT FOR CITIZENS TO KNOW WHO IS MAKING DECISIONS.

THE SIZE AND COMPLEXITY OF THE MODERN ADMINISTRATIVE STATE CAN OVERWHELM INFORMED VOTERS TRYING TO FIND OUT WHETHER THE OFFICIALS THEY VOTED FOR ARE KEEPING THE PROMISES, WHAT LAWS ARE BEING MADE AND/OR REPEALED. AND HOW MONEY IS BEING SPENT. ONLY WITH TRANSPARENCY AT THE ADMINISTRATIVE LEVEL CAN CITIZENS KNOW THE DECISION MAKERS AND THE DECISION MAKING PROCESS, WHICH ALLOWS THEM TO HOLD ELECTED AND APPOINTED OFFICIALS ACCOUNTABLE FOR THE RESULTS OF THOSE DECISIONS.

➤ FACTS TO KNOW ◀


THE 1967 FREEDOM OF INFORMATION ACT (FOIA) GIVES THE PUBLIC THE RIGHT TO ACCESS GOVERNMENT RECORDS THAT, EVEN THOUGH NOT CLASSIFIED, ARE NOT OTHERWISE AVAILABLE. ALL FIFTY STATES AND THE DISTRICT OF COLUMBIA HAVE THEIR OWN VERSIONS OF FREEDOM OF INFORMATION ACT (FOIA) LEGISLATION, WITH STATE LEVEL OFFICIALS RESPONSIBLE FOR MAKING GOVERNMENT CONTRACTS, SPENDING, AND DECISIONMAKING MORE TRANSPARENT.

THE GOVERNMENT ACCOUNTABILITY OFFICE IS ONE OF THE KEY SOURCES OF DATA ABOUT IMPROPER PAYMENTS. IN 2018, THE SOCIAL SECURITY ADMINISTRATION MADE \$8 BILLION IN IMPROPER PAYMENTS, MAINLY DUE TO OUTDATED TECHNOLOGY. THE FOUNDATION FOR GOVERNMENT ACCOUNTABILITY ESTIMATED THAT THE GOVERNMENT MADE AROUND \$300 IN IMPROPER UNEMPLOYMENT PAYMENTS DURING THE PANDEMIC.

OF 39 FEDERAL AGENCIES THAT WERE CONTACTED IN A FOIA REQUEST ABOUT THE PRESERVATION OF DIGITAL RECORDS LIKE EMAILS AND INSTANT MESSAGES, 26 AGENCIES RESPONDED. THE RESPONSES REVEAL ONLY 3 AGENCIES HAVE POLICIES TO AUTOMATICALLY CAPTURE AND PRESERVE MESSAGES, AND 7 AGENCIES HAVE EMPLOYEES PRESERVE MESSAGES AT THEIR DISCRETION.



SINCE 1996, THE GOVERNMENT HAS NEVER MADE ITS GOAL OF SPENDING 3% OF CONTRACTS ON BUSINESSES IN ECONOMICALLY DEPRESSED AREAS, AND HAS ONLY HIT THE GOAL OF 5% OF CONTRACTS GOING TO WOMEN-OWNED BUSINESSES IN 2013 AND 2019. ACCORDING TO GOLDMAN SACHS, THERE IS A 15% GAP BETWEEN MEN AND WOMEN BUSINESS OWNERS WHO RECEIVED FEDERAL GOVERNMENT CONTRACTS, AND A 13% GAP BETWEEN THOSE WHO RECEIVED STATE GOVERNMENT CONTRACTS.

GOVERNMENT INVOLVEMENT




THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO), KNOWN AS THE "CONGRESSIONAL WATCHDOG," IS AN INDEPENDENT AGENCY THAT EXAMINES HOW TAXPAYER DOLLARS ARE SPENT. THE GAO TRACKS FEDERAL SPENDING, WHETHER PROGRAMS ARE MEETING GOALS, AND IDENTIFIES FRAUD, WASTE, ABUSE, AND MISMANAGEMENT OF FEDERAL FUNDS.

THE INSPECTOR GENERAL ACT OF 1978 CREATED THE COUNCIL OF INSPECTORS GENERAL, AN INDEPENDENT ENTITY ESTABLISHED WITHIN THE EXECUTIVE BRANCH. THEY DETECT AND PREVENT WASTE, FRAUD, AND ABUSE THERE ARE 75 INSPECTORS GENERAL RESPONSIBLE FOR OVERSEEING FEDERAL AGENCIES, AND SIX OTHER ETHICS-RELATED OFFICIALS IN FEDERAL AGENCIES LIKE THE OFFICE OF MANAGEMENT AND BUDGET.



WE OFTEN THINK OF GOVERNMENT AS A REFEREE THAT SETS AND ENFORCES REGULATORY RULES, BUT THE GOVERNMENT'S ROLE AS A KEY ECONOMIC PLAYER CAN SUBSTANTIALLY AFFECT THE ECONOMY. FOR EXAMPLE, THE GOVERNMENT'S VEHICLE PURCHASES FOR VARIOUS AGENCIES' CAN HAVE A MAJOR IMPACT ON PRIVATE FUEL EFFICIENCY STANDARDS, AS WELL AS THE AVAILABILITY OF HYBRID AND ELECTRIC VEHICLES.

IMPROPER PAYMENTS ARE A SOURCE OF WASTEFUL SPENDING AT THE FEDERAL LEVEL, IN 2019, THE 20 LARGEST FEDERAL AGENCIES REPORTED \$175 BILLION IMPROPER PAYMENTS. MEDICARE, MEDICAID, AND THE EARNED INCOME TAX CREDIT PROGRAM ACCOUNT FOR \$121 BILLION OF THIS TOTAL.



➤ FRAMING THE ISSUE ◀

CORPORATE WELFARE

THE DETAILS OF ECONOMIC DEVELOPMENT AGREEMENTS BETWEEN LOCAL GOVERNMENTS AND BUSINESSES OFTEN REMAIN PRIVATE. IN SOME STATES, RECIPIENTS OF ECONOMIC DEVELOPMENT DOLLARS ARE GIVEN A SAY IN WHAT DETAILS ARE RELEASED TO THE PUBLIC; IN OTHERS, EXISTING STATUTES FAVOR PRIVACY. EVEN PUBLIC RECORDS LAWS HAVE PROVISIONS THAT PROTECT TRADE SECRETS. SOME ARGUE THIS IS NECESSARY FOR COMPETITION IN THE PRIVATE SECTOR; OTHERS ARGUE PUBLIC DISCLOSURE IS A NECESSITY BECAUSE THE SUBSIDIES ARE FUNDED BY TAXPAYER MONEY.

YEAR-END WASTE

"USE IT OR LOSE IT" BUDGETING SITUATIONS INCENTIVIZE GOVERNMENT AGENCIES TO RAMP UP SPENDING AND USE ANY LEFTOVER MONEY TOWARDS THE END OF THE FISCAL YEAR. AGENCIES KNOW THAT IF THEY LEAVE SIGNIFICANT BALANCES IN THEIR ACCOUNTS AT THE END OF THE FISCAL YEAR, CONGRESS MAY REDUCE THEIR BUDGET IN THE FUTURE. THIS CAN AFFECT EFFORTS TO REDUCE THE FEDERAL DEBT BY CONTROLLING SPENDING.

FAVORITISM

ONE REVIEW OF THOUSANDS OF GOVERNMENT CONTRACTS FOUND MORE THAN 150 COMPANIES RECEIVED CONTRACTS WORTH MORE THAN \$1 MILLION WITHOUT GOING THROUGH A COMPETITIVE BIDDING PROCESS. SOME ARGUE THIS IS BECAUSE THE GOVERNMENT SOMETIMES NEEDS TO WORK QUICKLY; OTHERS SAY IT AMOUNTS TO FAVORITISM AND DISCOURAGES OTHER BUSINESSES. ACCORDING TO GOLDMAN SACHS, ABOUT ONE-THIRD OF MINORITY- AND WOMEN-OWNED BUSINESSES DO NOT SUBMIT BIDS FOR CONTRACTS BECAUSE THEY BELIEVE THE PROCESS TO BE UNFAIR.

LEGISLATIVE EARMARKS

EARMARKS ARE FUNDS PROVIDED BY CONGRESS THAT APPLY TO A VERY LIMITED NUMBER OF RECIPIENTS AND WERE USED AS A NEGOTIATING TOOL AMONG LEGISLATORS. THEY BECAME SYNONYMOUS WITH CORRUPTIONS AND WERE BANNED IN 2011, BUT REINTRODUCED IN 2021. SUPPORTERS SAY EARMARKS ALLOW LEGISLATORS TO TARGET FUNDS AND CAN PREVENT GRIDLOCK BY SERVING AS A NEGOTIATING INCENTIVE. CRITICS ARGUE EARMARKS CIRCUMVENT THE COMPETITIVE ALLOCATION PROCESS AND THAT CONGRESS'S PURPOSE IS NOT TO FUND LOCAL WISH LISTS WITH NATIONAL TAXPAYER MONEY.

➤ SOLUTIONS ◀

PUBLISH GOVERNMENT RECORDS IN A SEARCHABLE, ONLINE FORMAT

THE INTERNET IS A POWERFUL TOOL TO MAKE GOVERNMENT SPENDING AND RECORDS EASILY ACCESSIBLE AND SEARCHABLE TO AMERICANS. GOVERNMENT AGENCIES COULD ENSURE SPENDING RECORDS ARE EASY TO FIND ON AGENCY WEBSITES, AND INDEXED BY MAJOR SEARCH ENGINES.

STREAMLINE THE FEDERAL CONTRACTING PROCESS FOR SMALL BUSINESS

A GOLDMAN SACHS SURVEY OF SMALL BUSINESS OWNERS FOUND THAT HALF OF WOMEN OWNERS WHO DIDN'T APPLY FOR FEDERAL CONTRACTS FELT THAT THE PROCESS WAS TOO TIME CONSUMING, AND 40% SAID IT WAS TOO COMPLICATED. A FASTER, SIMPLER APPLICATION PROCESS THAT IS EASY TO NAVIGATE WOULD MAKE FEDERAL CONTRACTING MORE COMPETITIVE AND ACCESSIBLE TO SMALL, WOMEN-WOMEN OWNED, AND MINORITY OWNED BUSINESSES.

REQUIRE GREATER TRANSPARENCY

AT THE FEDERAL LEVEL, TRANSPARENCY IN EARMARKING CAN INCLUDE REQUIREMENTS THAT COULD PREVENT ABUSE AND ENSURE THAT EARMARKING IS MAKING A DIFFERENCE IN DISTRICTS.

AT THE LOCAL LEVEL, BUSINESS-FRIENDLY POLICIES CAN BE SUFFICIENT TO CREATE JOBS AND ECONOMIC GROWTH WITHOUT CONFIDENTIAL AGREEMENTS BETWEEN GOVERNMENTS AND SPECIFIC COMPANIES.

➤ WHAT YOU CAN DO ◀

MEASURE -

WHAT ARE YOUR STATE'S TRANSPARENCY LAWS IN REGARDS TO FREEDOM OF INFORMATION?
FIND OUT WHAT AGENCY IS RESPONSIBLE FOR THE INITIATIVE THAT YOU ARE LOOKING INTO, SUCH AS THE DEPARTMENT OF LABOR, OR COMMUNITY AFFAIRS.
LOOK ON THE WEBSITE FOR INFORMATION ABOUT BUDGET, SALARIES, PROCUREMENT PROCESSES, AND CURRENT SPECIAL PROJECTS.



IDENTIFY -

WHAT STEPS HAVE YOUR STATE'S OR COMMUNITY'S ELECTED AND APPOINTED OFFICIALS TAKEN TO ENHANCE TRANSPARENCY AND ACCOUNTABILITY?
HOW DO YOU HOLD ELECTED OFFICIALS ACCOUNTABLE IN YOUR COMMUNITY OR STATE? DOES YOUR STATE HAVE A TRANSPARENCY CENTER OR DEPARTMENT?



REACH OUT -

REACH OUT TO TALK TO THE PEOPLE RESPONSIBLE FOR THE INITIATIVE AND THE PROCESS. YOU HAVE THE RIGHT TO KNOW HOW DOLLARS ARE SPENT, WHAT THE MEASURES OF SUCCESS ARE, WHICH CONTRACTORS HAVE BEEN HIRED, AND HOW THE SELECTION PROCESS WORKS. FIND ALLIES IN YOUR COMMUNITY OR IN NEARBY TOWNS AND ELSEWHERE IN THE STATE. FOSTER COLLABORATIVE RELATIONSHIPS WITH COMMUNITY ORGANIZATIONS, SCHOOL BOARDS, AND LOCAL BUSINESSES.

PLAN -
SET MILESTONES BASED ON YOUR STATE'S LEGISLATIVE CALENDAR OR LOCAL COMMUNITY CALENDAR.



EXECUTE -

INVESTIGATE PUBLIC EMPLOYEE SALARIES AND PENSIONS IN YOUR STATE OR MUNICIPALITY. DETERMINE HOW YOUR STATE RANKS IN TERMS OF SALARY PAYMENTS AND OVERALL SPENDING. SEE IF THERE ARE LOCAL WATCHDOG GROUPS IN YOUR STATE OR MUNICIPALITY, SUCH AS EDGAR COUNTY WATCHDOGS.
VISIT [FEDERALPAY](#) TO LOOK UP DATA RELATED TO THE PAYCHECK PROTECTION PROGRAM. SEE HOW YOUR STATE RANKS IN TERMS OF ECONOMIC DEVELOPMENT SUBSIDIES.