



Pennsylvania Department of the

AUDITOR GENERAL

Facebook: Pennsylvania Auditor General

Twitter: @PaAuditorGen

News for Immediate Release

Dec. 4, 2017

Auditor General DePasquale Encouraged by Wolf Administration's New State Grant Program Accountability Requirements

New procedures follow recent special report on \$10 million grant to 2016 Democratic National Convention

HARRISBURG – Auditor General Eugene DePasquale applauded new state grant program accountability requirements announced today by Gov. Tom Wolf following the auditor general's release of a November 2017 special report on a state grant made to Philadelphia's 2016 Democratic National Convention Host Committee.

"I am encouraged that Gov. Wolf acted expeditiously on the recommendations made recently in my special report on the \$10 million state grant to support the 2016 Democratic National Convention in Philadelphia," DePasquale said.

"Hopefully today's announcement paves the way for better grant contracts and oversight in all state agencies to ensure taxpayer funds are spent appropriately and that 'claw-back' procedures are included in grant agreements to ensure any leftover funds are returned to state coffers."

DePasquale's special report of the Democratic National Convention Philadelphia 2016 Host Committee's financial records showed that a \$10 million state grant was expended according to the grant agreement and that, because the grant agreement did not contain a specific claw-back provision, the committee was not required to pay back any of the money.

The 25-page special report includes three observations and four recommendations for improvement, including three directed at the Department of Community and Economic Development:

- Ensure all future grant agreements include provisions that address the following:
 - Ensure the commonwealth is the payer of last resort,
 - Require any surplus grant funds be returned to the commonwealth, and
 - Mandate any surplus privately raised funds be used to pay back the commonwealth for grant funds up to the full amount of the grant.
- Ensure all future grant agreements more specifically reference certain applicable state laws/regulations and equivalent federal laws/regulations if applicable either within the body of the agreement or in an appendix.
- Require that all grants, subgrants, contracts, subcontracts or other agreements in excess of \$10,000 for construction, production, machinery and equipment, services, etc., be competitively bid.

###