



CITY OF PITTSBURGH

"America's Most Livable City"

Office of Mayor William Peduto

August 26, 2015

Auditor General Eugene DePasquale
Finance Building
613 North Street, Room 229
Harrisburg, PA 17120

Re: Intergovernmental Cooperation Authority

Auditor General DePasquale:

Since I was elected Mayor in 2013, my administration has attempted to cooperate with the Intergovernmental Cooperation Authority (ICA) towards increasing fiscal discipline and efficiencies for the taxpayers of the City of Pittsburgh. Our good faith efforts have been met continually with gamesmanship and inappropriate and illegal behavior by the ICA and its Executive Director beyond its state granted authority. Sadly, we were required to go to court last month because the ICA is illegally withholding every dollar of state gaming funds due to the City since I took office, which will amount to \$20 million by the end of this year.

The taxpayers of Pittsburgh and the Commonwealth deserve to know how the ICA is spending our money. On Friday, the ICA flatly and illegally denied a number of basic Right to Know requests filed by the City regarding the ICA's financial practices. I have attached a copy for your reference. These documents should be readily available on the ICA website, to ensure transparency and accountability for an agency funded by the taxpayers, and their refusal to comply suggests they believe they are accountable to nobody. The ICA has long operated under a veil of secrecy and we are asking for your assistance to help us hold them accountable to the City of Pittsburgh and its taxpayers.

It is obvious to us that the ICA has awarded no bid contracts to politically connected firms in violation of city and state law. While the ICA withholds millions due to the City of Pittsburgh that have been allocated for roads, parks and municipal services, they spend these same taxpayer dollars on consultants, law firms, and other services with questionable political connections and outside the rules governing their authority. This is not how we do business anymore in the City of Pittsburgh. We demand that the ICA conduct itself with the highest standards of ethical and prudent financial management and procurement processes that the residents of the City of Pittsburgh deserve.

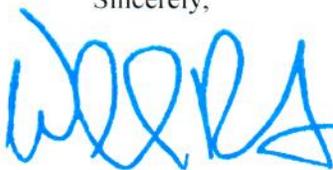
The Intergovernmental Cooperation Authority for Cities of the Second Class is a public agency and a recipient of state aid. Pursuant to the powers of the Auditor General as identified in Section 403 of the Fiscal Code, I am requesting that the Auditor General's Office conduct a full and complete audit of the ICA, including without limitation its operations, procurement practices, and spending of taxpayer dollars.

In addition, Section 204 of Act 11 requires that the existence ICA be terminated by certification of the Secretary of Community and Economic Development (DCED) after seven years, which action should have occurred in 2011. We seek your confirmation, in your capacity as Auditor General, that the Secretary of DCED is required to terminate the ICA under such provision of Act 11.

This is not a political issue, but one of good governance that members of both parties agree upon. In a July 3 article in the Pittsburgh Post-Gazette Republican Gov. Tom Corbett's former appointee to the ICA board, Ann Dugan, said "I don't think the ICA has been very helpful" and called it "a barrier" to the City's use of gaming funds to address its pension fund. In the same article former Senator Jim Ferlo, a Democrat, stated that the ICA "should have been eliminated many years ago."

The taxpayers of Pittsburgh and the Commonwealth of Pennsylvania deserve better from the ICA, which has by statute outlived its purpose and existence. I appreciate your leadership on behalf of the taxpayers, and will make my full administration available to answer any questions and assist in your audit process in whatever manner you request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'W Peduto', is centered on the page.

William Peduto
Mayor, City of Pittsburgh