



## 'A veil of secrecy' — 19 Mass. agencies have failed to report some spending of taxpayer money



JESSICA RINALDI/GLOBE STAFF/FILE

**The Steamship Authority has not published payroll records. It is one of the 19 agencies in Massachusetts that hasn't provided information to a state transparency website.**

By [Matt Rocheleau](#)

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At least 19 agencies in Massachusetts appear to have flouted state law by failing to publish millions of dollars in payroll and spending data on a state transparency website as required by a 2010 law that mandated the public disclosures.

All of the missing data belonged to so-called quasi government agencies, which are established by the state. They provide public services and receive state financial support but are legally structured to operate somewhat independently.

The agencies also operate with less public accountability than traditional government offices, with their budgets largely kept separate and not subject to legislative oversight.

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Senator Mark C. Montigny, a Democrat from New Bedford, blasted agencies for using their quasi-public status “as a veil of secrecy.”

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“At the end of the day, this is taxpayer money,” Montigny said. “They all should operate with clear transparency.”

Such lack of transparency has become an issue since the Globe disclosed that parts of the State Police payroll were kept out of public view for years. The State Police have since promised to overhaul record-keeping, including payments made through MassPort, which is a quasi public agency. The 19 agencies — roughly half of

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all quasi-public agencies in Massachusetts — failed to disclose data for at least one of the past three years.

their own car to work, which heavily contributed to more than \$3.4 million in additional payouts over four years.

For example, the UMass Building Authority, until the Globe asked about missing records, had not published spending data on the transparency website since May 2015. It spends more than \$500 million annually. The Steamship Authority, which operates ferries to Martha's Vineyard and Nantucket with a payroll topping \$30 million annually, has not published any payroll records.

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By contrast, all of the state's 151 traditional departments posted the required data, including, eventually, State Police.

The 2010 law calls for agencies, including quasi-public agencies, to provide financial records to the state so they can be posted online.

Making the information readily available can help lawmakers when they make policy and budget decisions, and it allows the public to keep an eye on how public funds are spent, including how employees are compensated.

Deirdre Cummings, legislative director of the Massachusetts Public Interest Research Group, a consumer advocacy nonprofit, said the complex structures of quasi-public agencies coupled with less stringent oversight can create “a recipe for disaster.”

“The recent news says if there’s nobody watching and nobody asking then that’s an opportunity for funny business,” Cummings said, referring to [recent scandals at the State Police](#), including allegations of pay fraud and stolen funds.

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Many quasi-public agencies generate significant revenue from fees they charge to customers, such as tolls, fares, and rent. The list of unreported financial data from some quasi-public agencies is long and includes the following:

■ The Massachusetts Convention Center Authority, until the Globe asked the agency about missing records, had not updated online payroll records since fall 2016. Spending data for the most recent fiscal year were also missing from the public site. Its payroll is about \$20 million a year. It spent about \$66 million last year.

■ The Commonwealth Corporation, a workforce development agency, has not posted any payroll records. Only its fiscal 2017 financial statement is available. Its annual spending is about \$55 million, which includes a payroll of about \$3.5 million.

■ The Massachusetts Growth Capital Corporation, which aims to promote economic development in underserved and low- to moderate-income communities, has not updated online payroll records since fall 2015 and spending data since fiscal 2015. Its yearly payroll is about \$1.7 million and it spends another \$1 million-plus annually.

■ Fourteen of the state’s 15 regional transit authorities had also, until the Globe asked them about missing records, failed to publish some payroll or financial records for at least one of the past three years, including agencies that are [calling for more state funding](#) as they consider hiking fares and cutting

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*‘This is taxpayer money. They all should operate with clear transparency.’*

service. Combined, those agencies receive about \$80 million from the state annually.

Agencies cited various explanations for why the records have gone unpublished, including technical issues that arose after the state [switched](#) to a new transparency website in the fall of 2016.

Following questions from the Globe, some agencies moved to quickly post missing records online, including the UMass Building Authority.

That agency's deputy director and general counsel David P. Mullen in an e-mail blamed the state comptroller's office, which runs the state's transparency website, for failing to post some data, while acknowledging other records weren't published due to "staff changes" within the authority.

Steamship Authority general manager Robert Davis said the agency's reliance on a decades-old accounting system has made it difficult to get records online, but it is working to post them soon.

Commonwealth Corp. spokeswoman Erin Clark said it expects to soon provide more information for the state's website as part of a broader effort by the Executive Office of Administration and Finance to get quasi agencies to disclose records.

Officials from the Baker administration's Office of Administration and Finance declined to say what, if anything, that agency is doing to boost reporting. But officials there said that while the state's [transparency law](#) requires quasi agencies to publicly post records, it doesn't give state officials legal authority to force them to comply.

State comptroller Thomas Shack said he, too, can't force compliance, but he urged more agencies to step up. "Anybody who uses or receives or converts dollars from the public should be making that data transparent," Shack said.

State Representative Antonio F. D. Cabral, a New Bedford Democrat who helped craft the 2010 transparency legislation, said agencies flouting the statute can't claim ignorance.

"This is not something that was passed yesterday," Cabral said. "I'm hoping by now every agency and every authority is aware of their responsibilities when it comes to reporting."

Quasi-public agencies operating under the radar have run into major financial problems.

For example, the quasi-public status of the now-defunct Turnpike Authority allowed it to function with less oversight than traditional offices. It subsequently ran into major financial problems, including from its management of the costly Big Dig project, prompting the agency's downfall and saddling other departments with its [massive leftover debt](#).

And, until a few weeks ago, the Massachusetts Port Authority, another quasi-public agency, had failed for years to disclose pay records for the State Police's Troop F, which the authority funds to patrol properties it owns, including Logan International Airport in Boston.

The [hidden records](#), revealed only after the Globe discovered they were missing, showed that Troop F employees were [paid significantly more](#) than other State Police divisions, prompting state officials to

conduct a review looking for ways to curb hefty overtime spending.

The records also showed Troop F staff receive [special, controversial payments](#) for driving their own cars — instead of cruisers — to work. The Globe then found the state [never paid taxes](#) on that perk, leaving Massachusetts vulnerable to a potentially massive bill from the IRS.

In 2010, Cummings’s group, MassPIRG, published a [report](#) highlighting how many quasi agencies struggled with transparency.

Since then, “the state has done a pretty good job in getting some of the data on there,” she said. But clearly some agencies still operate in the shadows. “We may have taken the foot off the pedal and we may have to strive again for meaningful transparency.”

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