

FOR OFFICIAL USE ONLY

ETHICS HEARING BOARD- CITY OF PITTSBURGH

COMPLAINT FORM

1. Identify the person you are complaining about:

Name: Michael E. Lamb

Office Address: Allegheny County Prothonotary
City-County Building
414 Grant Street • First Floor
Pittsburgh, PA 15219-2469
Phone: (412) 350-4200 • Fax: (412) 350-5260

also

Candidate for Pittsburgh's Controller,
Nov 6, 2007 general election

Democrat Nominee from the May 2007 primary

2. Explain in detail why you believe that the individual named above may have violated the City provisions. Attach additional sheets of paper if necessary.

A conflict of interest is brewing with a public official, Michael Lamb. He now campaigns for the office of City Controller while being in board member with a the nonprofit, A+ Schools. The ethical problem and conflict of interest resides in the fact that the controller's duty includes a mandate to serve the public's interest as the financial watchdog of Pittsburgh Public Schools. A+ Schools is the dominant advocate and champion that is driving a specific agenda of Pittsburgh Public Schools for the Superintendent, Board of Education and foundation community.

This is a classic example of the fox watching over the chickens in the hen house.

A+ Schools is driving an agenda for Pittsburgh Public Schools and the Controller is on the board of A+ Schools. The controller should come to the job with an objective background and without ties to a pivotal organization.

Michael Lamb is a long time board member of A+ Schools.

A+ Schools is the key booster organization for public policy discussions and been driving the school reform agenda of the Pittsburgh Public Schools.

The nominated candidate from the Democratic Party for the office of controller is charged with financial oversight of the school district.

Financial transparency is the way local government is required to behave in other areas of the country. Transparency comes into doubt and can be questioned with those relationships intact.

3. Attach or make reference to any documents, materials, minutes, resolutions or other evidence which support your allegations.

Some interesting insights comes from a Heinz School document called Restoring the Public Trust in the City of Pittsburgh's Finances by **Robert P. Strauss**, Professor of Economics and Public Policy at Carnegie-Mellon University. He posted a document from a February 5, 2004, address delivered at Pittsburgh City Council Chambers. It read, in part:

Regaining the Public's Trust: You (city government officials) have a very simple problem that has been festering for a very long time. The result is that the public simply no longer trusts the Mayor and yourselves in the way you allocate the monies you annually raise and spend.

Losing the public trust is actually hard to do in Pennsylvania because the public can be kept in the dark for a very long time about what is going on in municipal finance. But once the public catches on that the budget spending and revenue numbers don't quite add up, you will find that regaining the public trust is very difficult, ...

You may take issue with these observations about the public's trust in you, since they elected you and you are here, and your opponents are not, but certainly the capital market and rating agencies don't trust ... you much anymore. ...

Junk bond status means there's no longer investor confidence in how you raise and spend public monies.

How can trust be rebuilt so that the City won't have to pay junk bond interest rates, and people won't put their houses and businesses up for sale, and vote with their feet?

The solution to rebuilding trust is both simple but likely painful politically. To re-establish trust, the City must get its finances in order. To do so in a convincing way requires that the roles of the Mayor, the City Controller, and City Council move into the 21st Century from the late 19th Century, and all abide by national standards of financial conduct. If the rights and responsibilities of these three political stakeholders are not changed fundamentally, then the City will simply lurch here and there, ... continuing to lose population, businesses, jobs, and economic vitality.

... And, the Home Rule Charter needs to obligate the City Controller to behave like an independent auditor than a part-time Mayor.

Democracy needs to be redefined in Pittsburgh so that lenders and resident taxpayers have confidence and trust that the numbers are honest, and that promises made through budgets are legal and sensible, and become promises kept. This will mean that promises to fill potholes are promises that will be kept.

There are some other governmental reforms, dealing with public corruption and indirect bribery, that might dramatically improve the public's trust in the operations of the City of Pittsburgh, but my focus this morning is on what it will take in my judgment to rebuild trust in the City's finances.

I have great confidence, as a skeptical taxpayer, and as a proud parent with children in the Pittsburgh Public Schools, and as a very engaged citizen who attends dozens of school meetings each season that I can lean upon those statements from a CMU expert. It is my sense that his judgment for rebuilding trust in the city's finances would include a simple reform recommendation that the city controller NOT be an board member of A+ Schools.

The city needs to rebuild trust with students, parents, taxpayers, and graduates. Less than a year ago, students and families were given a promise from a the city's Superintendent and Mayor, the Pittsburgh Promise. A top public official and the lead school educator pledged graduates of PPS Schools would get scholarship money to attend college for four years. Payment are to start to students in 2008.

The promise was made and can't be delivered. Michael Lamb was a candidate for controller in early 2007 when the promise was made. He said nothing about how it could not bear fruit.

Michael Lamb is on the board of A+ Schools and he would not want to rock the boat.

The Pittsburgh Promise has \$10,000 in its account. The funding gap for delivery of that promise is more than \$100-million.

The controller of Pittsburgh must present a check and balance for the citizens against a group of school leaders that are capable of making bogus pledges that are short by tens of millions of dollars. Superintendent of Schools, Mark Roosevelt; Mayor, Luke Ravenstahl; PFT leaders (Teachers' Union); Builders of School Buildings; Foundation Executives (NEED); and boosters who do full time cheer leading for the opening of some new schools and the closing of others, can cover for each other.

The expert from CMU says it is time to "clarify the role of the City Controller." I agree. I think that the Ethics Hearing Board will agree as well. I think it is fair to say that the City Controller should NOT be a member of the board of A+ Schools.

As Michael Lamb is a member of the board of A+ Schools, the city can't achieve financial transparency and re-build trust with the public.

The city controller is the accounting and auditing arm of the City. The controller keeps the books, issues checks, and insures performance, efficiency, and fiscal results of Pittsburgh's departments, authorities and school district. The role of the Controller is City government is clearly defined by the Home Rule Charter as an independent watchdog of Pittsburgh's spending practices.

The City Controller is responsible for being the watchdog over Pittsburgh City government as well the City public school system. The most common controller audit is a fiscal audit which determines if money is being properly spent. The second is a performance audit that attempts to determine the value and benefit of the service provided.

Mike Lamb posted in April to a Just Harvest candidate forum that the City Controller is an independently elected official. (http://www.justharvest.org/candidate_responses.shtml) The controller, said Lamb, is to "make sure there is no waste, fraud or abuse of taxpayer dollars."

Clearly, the Pittsburgh Promise was nothing but fraud for families and students of the city.

Michael Lamb promised that Pittsburghers would be "getting a fair return for their tax dollars and a fair share of city services in their neighborhoods." if he was controller. But, I feel that is an impossible pledge of independence as Lamb is also on the board of A+ Schools.

4. Sworn to and subscribed before me this
____ day of _____,

(Notary Public)

My Commission expires:

I swear or affirm, under penalty
or perjury that the facts set
forth in this complaint are
true and correct to the best of
my knowledge, information and
belief.

Send completed form to:
Ethics Hearing Board
City of Pittsburgh Department of Law
313 City-County Building
414 Grant Street
Pittsburgh, PA 15219
(412) 255-2015

Signature

Print Name:

Mark Rauterkus

Home Address:

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Pittsburgh, PA 15203

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