

Private Contractors Among Those Charged in Pennsylvania Turnpike Procurement Scandal

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A recent grand jury report out of Pennsylvania details evidence of “rampant” corruption in connection with the Pennsylvania Turnpike Commission's contracting and procurement practices. The report—the product of a 44-month investigation—charges Turnpike officials and a former state senator with spearheading a procurement system that traded contracts for campaign contributions. And state officials aren't the only ones under scrutiny. At least two private contractors also face charges, including counts of bid-rigging, conflict of interest and conspiracy.

For years, according to the grand jury's report, it has been common practice for state senators to order their Turnpike-official protégés to award contracts based on bidder political contributions. According to one former Turnpike employee, an estimated “90 percent of the contracts at the Turnpike w[ere] based on . . . campaign contributions.” Turnpike personnel enjoyed their own contract-related perks, too, ranging from gift baskets to Yankees tickets. Dennis Miller, for example—one of the two businessmen charged—was an executive at Ciber, Inc., an IT-consulting contractor that obtained millions of dollars in Turnpike contracts. Miller allegedly made contributions to designated political campaigns and offered Turnpike officials limousine rides, meals, and, on one occasion, dinners and train travel across Eastern Europe. In return, the grand jury reported, Ciber received lucrative contract awards and insider information. In one instance, the company secured a multi-million dollar Turnpike contract “[d]espite being the highest bidder by far,” and the payments under that contract later ballooned to more than \$62 million. Jeffrey Suzenski, the other contractor charged, is also alleged to have lavished meals and golf outings on Turnpike personnel “in an effort to

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influence the awarding of Turnpike work” to businesses he represented.

The grand jury's findings have provoked much discussion in Pennsylvania. Last month, the state attorney general denounced the Turnpike as “operat[ing] under a pay-to-play system that is illegal and corrupt.” In turn, some state lawmakers have begun advocating legislative solutions, from full-blown pay-to-play laws to heightened contribution disclosure rules. Others, like House Speaker Sam Smith, question the complexity that contribution bans could foster (perhaps in a nod to nearby New Jersey, whose daunting pay-to-play regime was recently credited with a sharp drop in government contractor contributions). But until the dust settles, whether Pennsylvania's latest scandal will prompt systemic reform remains an open question.