



**City of Philadelphia
Office of the City Controller**

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City Controller Releases Voting Machine Investigation Report; Finds Serious Flaws With the Procurement Process

Philadelphia, PA – Today, the Office of the City Controller released a report on its investigation into the procurement process for the City’s new voting technology, a \$29 million contract awarded to Election Systems & Software, LLC (ES&S) using the Best Value Guidelines. The investigation identified significant issues with the use of Best Value, including a lack of transparency and accountability throughout the process. Last month, the Controller’s Office released a finding regarding ES&S’s failure to disclose its use of lobbyists, the lobbyists activities and the lobbyists’ campaign contributions that resulted in ES&S agreeing to pay a \$2.9 million penalty. In addition, the investigation found that two of the City Commissioners failed to disclose potential conflicts of interest in the procurement process.

“This process was flawed from the very beginning and fell far short of adhering to the Best Value procurement guidelines. Best Value is supposed to be a procurement tool that avoids favoritism and ethical misconduct. It’s supposed to be transparent and fair,” said City Controller Rebecca Rhynhart. “This process did the opposite – it was opaque, showed favoritism toward one vendor, and raised conflict of interest concerns.”

The Controller’s Office investigation included the review of thousands of pages of documents and more than 20 interviews of individuals involved in the procurement and selection process, including City Commissioners Al Schmidt and Lisa Deeley.

Key findings from the report include:

- ES&S, through the use of a lobbyist, engaged with City Commissioners as early as 2013 regarding the procurement of a new voting system;
- ES&S failed to disclose its use of consultants and its consultants’ campaign contributions, including campaign contributions to City Commissioners Al Schmidt and Lisa Deeley who ultimately selected ES&S to receive the contract;
- The City Commissioners failed to disclose potential conflicts of interest. Despite City Commissioners Schmidt and Deeley receiving campaign contributions from ES&S’s lobbyists in the year prior to selecting them as a vendor and Commissioner Schmidt repeatedly being the recipient of “direct communications” with ES&S’s lobbyists, both Commissioners Schmidt and Deeley signed Confidentiality and Conflict of

Interest forms for the voting technology procurement process, agreeing not to “take official action, including but not limited to participation in the proposal review and selection process, that impacts [his] financial interests” and that “if any such relationship exists with an applicant who submitted a response to this RFP, I must disclose the relationship and disqualify myself from reviewing and evaluating any proposals submitted in response to this RFP”; and

- Other issues regarding the procurement process, including the rushed nature of the official procurement process, selection committee members feeling pressured to select ES&S, lack of procedures to ensure the integrity of the procurement process and the lack of overall transparency in the procurement process.

In the report, Controller Rhynhart recommends the development and implementation of a formal process to review self-reported disclosures and conflict of interest forms to help ensure the integrity of the process in the future. The full report, including recommendations, is available [here](#).